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General

UN Representative Elaborates Human Rights Stand

OW2102130493 Beijing XINHUA Domestic Service in Chinese 0531 GMT 18 Feb 93

[Text] Geneva, 17 Feb (XINHUA)—Addressing the 49th session of the UN Human Rights Commission today, Zhang Yishan, Chinese deputy representative to the commission, pointed out that the World Human Rights Conference, scheduled to take place in June of this year, should attach full importance to problems of common concern in the majority of countries.

Zhang Yishan said: The World Human Rights Conference will be another important conference following the 1968 Tehran conference. People have very high expectations for the conference. They hope the conference will earnestly sum up UN successes and insufficiencies in safeguarding and promoting human rights over the past several decades, especially since the Tehran conference, and come up with positive and practical suggestions and guidance for activities in the sphere of human rights in the future so that the lofty ideal, that people the world over can fully enjoy human rights, can be eventually achieved.

He said: To make the World Human Rights Conference a success, first of all, the conference must give priority to deliberating on the massive and brutal violations of human rights caused by racism, apartheid, colonialism, and foreign aggression and occupation.

Second, state sovereignty is the foundation of achieving human rights. Human rights can be safeguarded only when state sovereignty has been fully respected. The conference should reaffirm the principles prescribed in the UN Charter and international law concerning respect for state sovereignty.

Third, the conference should reaffirm its respect for the right of national self-determination. Any country, large or small, strong or weak, has the right to freely choose a political system, economic mode, and course of development compatible with its own situation.

Fourth, the irrational and unjust international economic order has seriously obstructed the vast number of people in developing countries from enjoying human rights, and it even has threatened the survival of some people. Thus, the conference should reiterate that the right of development is a human right that should not be deprived, and it should also come up with effective measures for achieving this right and consider establishing supervisory mechanisms for achieving the right of development.

Fifth, the conference should promote the full and complete understanding of international documents about

human rights, stress the indivisibility and mutual dependency of human rights of all kinds, and ensure the universality, objectivity, openness, and nonselective nature of human rights.

Finally, the conference should promote international cooperation within the sphere of human rights on the basis of mutual respect and exchange on an equal footing, and prevent using human rights issues to launch ideological polemics and exercise political pressure, lest the UN forum become a place for launching political offensives against other countries.

Zhang Yishan said: The Chinese Government endorses and supports the convocation of the World Human Rights Conference and it has taken an active part in all preparations. China hopes that, when preparations are made for the World Human Rights Conference next time, all parties will work hard together and consult and cooperate with one another so that problems of common concern for the majority of countries can be reflected in the conference's final documents.

U.S. Peace Plan for Bosnia-Hercegovina Analyzed

OW2102095393 Beijing XINHUA Domestic Service in Chinese 1234 GMT 12 Feb 93

[“News analysis” by XINHUA reporter Wu Zhiqiang (0702 1807 1730)]

[Text] Washington, 11 Feb (XINHUA)—U.S. Secretary of State Christopher on 10 February announced a six-point plan for settling the Bosnia-Hercegovina conflict. He said that the United States will step up diplomatic actions to help end the protracted war in Bosnia-Hercegovina.

The six-point plan is the first major diplomatic action taken by U.S. President Clinton to promote the settlement of the Bosnia-Hercegovina conflict since he took office. It reflects some changes in U.S. policy towards the former Yugoslavia.

Since Yugoslavia's disintegration, a civil war has been going on in Bosnia-Hercegovina; it has become a “powder keg” jeopardizing European security. The United States is worried that the Bosnia-Hercegovina war might spill over to neighboring nations and hurt U.S. interests in Europe. However, it also believes that the situation there is too complex to enable itself to get out of any deep involvement easily. For this reason, the United States has always asked its West European allies to play point man, and has even suggested that the allies send troops under the NATO umbrella to intervene in the Bosnia-Hercegovina civil war, while the United States itself is reluctant to send any troops there. Since the very beginning, West European nations have made efforts and attempts to mediate the Bosnia-Hercegovina conflict, but to no avail because their ability falls short of their wishes. Very much dissatisfied with U.S. attitude of “looking on at the trouble with indifference,” they are loudly calling on the United States to “make more

contributions." Since the U.S. Government policy towards Bosnia-Herzegovina also caused some controversy at home, Clinton said during the presidential campaign last year that the United States would adopt a tougher attitude. Recently, UN representative Vance and EC special envoy Owen failed in their mediation efforts, when their peace plan was rejected by the warring factions in Bosnia-Herzegovina. So, the U.S. attitude has become even more noticeable. It is with this background that the Clinton administration has presented its Bosnia-Herzegovina plan to show U.S. determination to play a "more active role" in settling the issue in former Yugoslavia.

However, the United States has not drastically changed its position on the crucial issue of military intervention because of strong opposition from the military. First, Christopher's plan has not included the use of force in the "no-fly zone" over Bosnia-Herzegovina, nor has it mentioned the lifting of the arms embargo against all warring factions in Bosnia-Herzegovina. Christopher merely says that the Clinton administration has not ruled out the possibility of using force in enforcing the "no-fly zone."

Earlier, the media widely reported that the United States was considering a plan to use force in enforcing the "no-fly zone" over Bosnia-Herzegovina and to ship arms to Muslims in Bosnia-Herzegovina. The two measures are less risky to the United States, but they are resolutely opposed by Britain, France and other countries, which have already participated in UN peace-keeping forces in Bosnia-Herzegovina. Since they have troops performing humanitarian rescue tasks in Bosnia-Herzegovina, they are worried that the measures will aggravate the Bosnia-Herzegovina conflict and jeopardize the safety of their troops there. Strong opposition to the measures also exists in the United States, particularly in the military. High-ranking officers at the Pentagon do not believe that the use of force in enforcing the "no-fly zone" over Bosnia-Herzegovina can remarkably change the situation in the ground battle there. They hold that the lifting of the arms embargo will lead only to "more disturbances."

Next, the six-point plan shows that the United States is likely to send peace-keeping troops to Bosnia-Herzegovina and "could take military action," but it has attached some conditions for the troop dispatching. For instance, it says that U.S. troops will be dispatched only as a part of UN or NATO forces, and only after a feasible peace agreement with detailed procedures for implementation is reached. This shows that the U.S. Government on the one hand is merely making a gesture to increase its weight in participating in the settlement of the Bosnia-Herzegovina conflict; while on the other hand, it has to consider worries at home over the consequences of a U.S. military presence in Bosnia-Herzegovina. This shows that it is a plan with some margin.

European nations and the cochairmen of the international peace conference for Bosnia, Vance and Owen,

welcome the U.S. plan. German Foreign Minister Kinkel says that the plan shows the "clear intention" of the United States to take a more active part politically. However, observers here hold that the Bosnia-Herzegovina conflict has very complex causes, and it will not be easy to reach a peace agreement acceptable to all warring factions. Even if such an agreement is reached, there will be considerable resistance in the United States to dispatching U.S. ground forces to help enforce the agreement in Bosnia-Herzegovina. For this reason, a method for implementing the U.S. Bosnia-Herzegovina plan remains to be seen.

'News Analysis' Discusses Watanabe's U.S. Trip

OW2102031193 Beijing XINHUA Domestic Service in Chinese 1543 GMT 11 Feb 93

[("News Analysis" by XINHUA reporter Xia Zhaolong (1115 0340 7893))]

[Text] Tokyo, 11 Feb (XINHUA)—Japanese Minister of Foreign Affairs Michio Watanabe left for Washington today for a four-day visit to the United States. This is the first high-level diplomatic contact between Japan and the United States since Clinton was inaugurated U.S. President. It has attracted the attention of world media.

According to the Ministry of Foreign Affairs, in addition to meeting with Clinton during his U.S. visit, Watanabe will hold talks with Secretary of State Warren Christopher, the national security adviser, and the secretary of defense to discuss a wide range of bilateral and international issues.

Bilateral economic relations and trade will be an important topic during the talks. Japan's trade surplus with the United States reached \$44 billion last year. Since his inauguration, Clinton has launched several broadsides against Tokyo. At the end of last month, the United States announced its decision to impose antidumping duties on Japan's steel products. Early this month, it criticized Japan for scuttling aviation agreements between the two countries. The Japanese worry that the new administration in Washington will adopt a tough policy toward Japan as it works to reinvigorate the domestic economy.

The Miyazawa cabinet has always tried to improve the two countries' relations and make Japan-U.S. cooperation "suit the new, post-Cold War situation." It advocates a flexible attitude toward certain issues and friction so that individual differences will not hurt the two countries' overall relations. One of the purposes of Watanabe's current visit is to reiterate that Japan values the partnership between the two countries.

Another purpose of the visit is to coordinate policy and to carve out a greater role in international affairs. It is understood that the Japanese minister of foreign affairs will discuss with U.S. officials a "wide range of international issues jointly faced by Japan and the United States," such as policy toward Russia, Asia, Africa, and

the Middle East; the Asian-Pacific security structure; the UN mechanism; and the Group of Seven summit in Tokyo.

It has been revealed that Watanabe's U.S. visit is not intended to hold discussions or resolve specific problems. Rather, Tokyo will enunciate its stand on a number of major issues to the new U.S. Administration during the talks, as a way of laying the groundwork for establishing new Japan-U.S. cooperative relations.

Observers here note that Japan-U.S. relations are both long-standing and new; they are stable and yet delicate. Friction and coordination are important items on the agenda for Tokyo and Washington.

United States & Canada

Editorial on Clinton's State of Union Address

HK2002073693 Hong Kong MING PAO in Chinese
20 Feb 93 p 2

[Text] U.S. President Clinton delivered his first State of the Union Address to Congress on the morning of the day before yesterday Hong Kong local time [17 February], and discussed in detail his plan to renovate the national economy. Clinton has made good on his promise, and within the first 100 days since he took office, actually, in less than a month, he has presented a prescription to the U.S. people to cure the ailing national economy.

In fact, the issue of universal concern, for the man in the street as well as experts, in his hour-long message was the measures for economic recovery; however, one got the impression that there was nothing new in the philosophy of broadening sources of income and reducing expenditures, through tax increase and cutback in spending, which were set out in the message. Earlier, Clinton delivered a series of speeches with the theme on "a new covenant" at his alma mater, Georgetown University, between late October and mid-December 1991; in fact, his way of running the state was well demonstrated in the series of speeches, and his philosophy of national reconstruction from a macroscopic angle, as well as his specific idea of helping small enterprises at home, were all dealt with. Strictly speaking, Clinton's State of the Union Address was just a comprehensive summarization of the aforesaid series of speeches.

What was fresh and new in the message was that Clinton has entirely gone back on his words made during his presidential electoral campaign; he has not reduced the middle class tax burden; on the contrary, the middle class has now become prey, with a greater number of people being taxed.

Nevertheless, a poll conducted in the wake of the State of the Union Address showed that the support rate for Clinton's economic plan was 80 percent, which demonstrated that the majority of the U.S. people, including the middle class, have forgiven this president of a new

generation for failing to keep his election promise. They are all willing to pay a greater price for renovating the nation. In his State of the Union Address, Clinton stated: "I hope that you can make a commitment with me," which seems to have struck a sympathetic chord among the U.S. people.

That is a good beginning for Clinton. However, a good result depends on whether or not Clinton is good at utilizing the support of the U.S. people, breaking the estrangement between the Republicans and Democrats, and halting the rampant lobbying of interests groups in Washington. In his address, Clinton stated that "the nation should have a new direction"; obviously, the crucial points mentioned above were included. Clinton required the U.S. people to "fear no sacrifices," and that is his economic philosophy; from this angle, support of the U.S. people and solidarity of the whole country are obviously vitally important to him.

According to Jim Moore [mu er 4476 1422], author of the book *Bill Clinton*, Clinton's "New Covenant" series is derived from the "New Deal" of the late President Franklin Roosevelt, who successfully guided the United States into a new orbit in the wake of the Great Depression, and turned the United States into a power leading the whole world. Obviously, Clinton has the same ambition today. When we viewed Clinton delivering the address to the U.S. Congress, we could not but recognize Clinton's youthful spirit, which has really inspired the Congress and braced up the U.S. people in front of the TV. That is the essence of the State of the Union Address. However, the world's concern is whether or not this youthful spirit will turn into apathy in the next four years. True, people will summarize whether Clinton's economic plan is a success or a failure when his four-year tenure of office is expired, but Clinton's youthful spirit and determination to change will at least bring new hope to the American people.

U.S. Defense Secretary Faces 'Difficult Problems'

HK1802155493 Beijing JIEFANGJUN BAO in Chinese
12 Feb 93 p 4

[("International Commentary" by Dong Guozheng (5516 0948 2398): "Difficult Problems Facing Aspin")]

[Text] Aspin is the new master of the Pentagon. In January, when the White House got its new master, Aspin was promoted from chairman of the House of Representatives' Armed Services Committee to secretary of defense, thus becoming an important member of the Clinton administration.

"Today, many time-honored prescriptions have become ineffectual," sighed Aspin upon assuming office. Evidently, to respond to the new president's call to "rejuvenate the United States," the 54-year-old defense expert must rack his brains and make tremendous efforts to be successful in his new job. Why? The reasons are simple. He is facing many challenges and will be "caught in a dilemma because of any careless mistake."

The first difficult problem for Aspin is the amount of money the Pentagon will have at its disposal. At a time when the Cold War is over and the U.S. economy is hitting rock bottom, defense budget cuts will become a top item on the Clinton administration's agenda. Clinton has demanded that the \$1.42 trillion defense budget planned by Bush be reduced \$60 billion. Aspin, who is famous for exposing the Pentagon's prodigious waste, went further, demanding that \$91 billion be cut from the budget over the next five years. To achieve this, naval vessels would be reduced from the 450 planned to 110, three ground force divisions would be taken from 12 active divisions, and 15 active Air Force division squadrons would lose five squadrons. In other words, Aspin's first difficult problem is that, while axing military expenditures, he must ensure that "U.S. military forces are of high quality" and that "the forces are armed with advanced military technology and equipment."

The second difficulty lies in the size of U.S. military forces. The Bush administration suggested that the United States should retain a basic military force of 1.6 million soldiers on active duty by 1995, of which 150,000 will be stationed in Europe. Clinton proposed reducing the Army another 200,000 soldiers by 1997 and reducing the number of U.S. troops in Europe to less than 100,000 as compared with the present 200,000. Reducing the Army's size is inevitable. The difficulty is that, while reducing the number of U.S. troops in Europe, Aspin must ensure that the withdrawal of troops does not arouse excessive anxiety in Western Europe.

The third difficulty is the U.S. troops' role as "the world's policeman." During a period in the past, the United States "sent troops anywhere it pleased," considering itself the world's policeman. Though the Cold War is over, the United States has not given up its old habit of moving troops around and stirring up the people. Today, though the confrontation between the two military blocs no longer exists, and a new world war is unlikely to appear by the end of the century or at the beginning of the next century, regional crises have come to pass. Refusing to give up its role as the world's policeman, the United States nevertheless finds it difficult to play the role by itself due to limited material and financial resources. Aspin has made it clear now that the "United States will take risks along with its allies in the future." But the problem is whether U.S. allies will do their utmost to help U.S. troops as they did during the Gulf war. Observers have pointed out that will be difficult for the world to experience in the future the same international atmosphere that was seen in the Gulf war. For now, the United States' allies in Western Europe are planning to set up an independent defense system to correspond with their economic integration. It can be predicted that disputes between the United States and Western Europe over economic matters and defense will become common in the future.

Another difficult problem for Aspin is the implementation of the agreements on reducing conventional weapons and on reducing strategic weapons that the

United States has signed with the former Soviet Union and Russia. To this end, Aspin has called for efforts to formulate an overall strategy for the former Soviet Union, which will include giving support to the former Soviet Union's military reforms and encouraging private investors to invest in the former Soviet Union. However, people in various sectors in the United States are divided on this matter.

To sum up, though Aspin, who has been appointed at a time when military strategy needs a major readjustment, is not embarking on a path beset with difficulties that defy solution, he simply has a number of hard nuts to crack. It is reported that Aspin will reform security policy and the security system, beginning with a readjustment of the Pentagon's staff. The world is paying attention to what measures Aspin will take.

MD-90 Aircraft Selected for Major Air Routes

*OW2002120993 Beijing XINHUA in English
0949 GMT 20 Feb 93*

[Text] Shanghai, February 20 (XINHUA)—China has selected the MD-90 jet as the standard type for China's major air routes and will manufacture 40 such aircraft by the end of this century, according to officials.

The new planes will cost a total cost of 1.1 billion U.S. dollars and will be built in co-operation with the McDonnell-Douglas aircraft corporation of the United States.

Sources from McDonnell-Douglas and the Shanghai aircraft industrial group said that a proposal to produce 130 additional aircraft is still under negotiation.

Experts said that the new jet can accommodate 153 passengers. With advanced V2500 engines, the aircraft has lower noise and oil consumption levels, and emits less toxic air and dust than other types of jets.

Don Hanson, spokesman for McDonnell-Douglas, said that the MD-90 was another breakthrough following the MD-11 cross-ocean jetliner. So far, the U.S. company has received orders for the MD-90 from 179 companies around the world.

Vice Premier Zou Jiahua Meets U.S. Entrepreneur

*OW2202105693 Beijing XINHUA in English
0949 GMT 22 Feb 93*

[Text] Beijing, February 22 (XINHUA)—Chinese Vice-Premier Zou Jiahua met with Vice-Chairman R.L. Tobias of the American Telephone and Telegraph Corporation (AT&T) here this afternoon.

In the meeting, Zou and Tobias discussed ways to expand AT&T's cooperation with China.

Tobias is here on a visit as guest of China's State Planning Commission.

XINHUA Cites U.S. Mayor on Domestic Policy

OW2002090593 Beijing XINHUA in English
0726 GMT 20 Feb 93

[Text] Beijing, February 20 (XINHUA)—Frank M. Jordan, visiting mayor of San Francisco in the United States, has expressed the belief that China is changing rapidly and will not return to its traditional ways.

Jordan, who toured Shanghai and Beijing—the two largest municipalities in China—told XINHUA here yesterday that his visit was a very positive and powerful one. He said he had seen amazing changes in a short period of time and tremendous economic expansion in China.

"I am very impressed with the economic boom and expansion," and China's economy "is full of life and energy," he said. "The people seem to be very positive about the changes that are happening."

Jordan went on: "Their living standard is increasing, wages are going up, housing start-ups are accelerating and they feel comfortable with their living conditions."

Referring to the sister-city relationship between Shanghai and San Francisco, which was established in 1980, Jordan said that this relationship has been strengthened over the past 13 years by a number of mayors of both San Francisco and Shanghai.

According to the mayor, every two years the two cities sign a memorandum of understanding about exchanges in the medical, arts, education and other fields.

San Francisco is now building a new international airport and it has a magnificent natural harbor, said the mayor. He noted that San Francisco is a strategic location that is critical and vital to both the United States and China.

Shanghai, the largest port in the country and one of the largest port cities in the world, will further boost trade and commerce between the two cities through the development of the Pudong area.

"So I believe we both need each other as we March together proudly into the 21st century," the mayor said.

Jordan explained that San Francisco and Shanghai—two key gateway cities—will be given opportunities for more exchanges and co-operation in the areas of culture and the arts, legal affairs, health care, hi-technology, computers, finance, business, investment and infrastructure construction.

Shanghai and San Francisco have a strong bonding relationship, said the mayor. He noted that such good relationship will enhance the national level of co-operation between the two countries.

Northeast Asia

'New Tide' of Korean Investors Flood Tianjin
HK2002055693 Beijing CHINA DAILY in English
20 Feb 93 p 1

[By staff reporter Liang Chao: "ROK Investors Flock to Tianjin"]

[Text] Tianjin—A new tide of investment from the Republic of Korea (ROK) is coming to this North China port city, as more than 100 ROK enterprises are expected to take root in the Tianjin Economic-Technological Development Area (TEDA) within two years.

An estimated \$400 million will be invested by these enterprises in electronics, machinery, fibre and metal industrial projects in the TEDA before 1995.

The new ROK investors have been introduced to Tianjin as part of a massive project initiated by the Korea Land Development Co (KLDC).

A powerful government-funded organization with a registered capital of \$2.5 billion, KLDC will build a Korean industrial park on a 1.15 square-kilometre area in the TEDA.

"Within about two years, an industrial estate symbolizing the Korean economic and technological potential is expected to take shape here in Tianjin," KLDC president Kwon Yong-gack told an official land-lease contract signing ceremony in Tianjin on Thursday.

"We will try to build a number of excellent enterprises which can reflect the industrial level of South Korea in this industrial complex," Kwon said.

He said the project would be launched next month and all the participating enterprises confirmed by April.

Kwon said that with the favourable investment climate in Tianjin and the co-operation of TEDA authorities, the Tianjin Korea Industrial Complex was assured of success.

Beijing, Seoul To Build Submarine Cable System

OW1702134693 Beijing XINHUA in English
1325 GMT 17 Feb 93

[Text] Beijing, February 17 (XINHUA)—China and the Republic of Korea (ROK) agreed today to jointly build a submarine cable system crossing the Yellow Sea between the two countries.

The two parties will invest up to 50 million U.S. dollars and start construction of the high-capacity transmission link later this year.

Korea Telecom for the ROK side and the Directorate-General of Telecommunications for the Chinese side were designated to undertake the task.

The trade volume between the two countries last year reached around 10 billion U.S. dollars, making China the third biggest trading partner of the ROK.

As the two countries are widening their exchanges and co-operation in economic, scientific and cultural fields, there is expected to be a growing demand for telecommunications links.

Last year's telecommunications traffic volume increased 113 percent over the previous year.

When the project is finished in 1995, according to estimates, it will greatly improve the telecommunication situation between the two countries and beyond.

The Sino-ROK submarine cable system follows one scheduled to connect China and Japan by the end of the year.

Sino-Japanese Petrochemical Plant for Tianjin

HK2002052293 Beijing CHINA DAILY in English
20 Feb 93 p 2

[By staff reporter Zhang Yuan: "Japan in Petrochem Firm Deal"]

[Text] China and Japan yesterday signed an agreement in Beijing to establish a large joint venture petrochemical plant in the coastal city of Tianjin.

The joint venture, with a total investment of 1.5 billion yuan (\$258.6 million), will be equally co-invested in by the Tianjin Petrochemical Corporation—a subsidiary of the China Petrochemical Corporation (Sinopec)—and the Mitsui Petrochemical Corporation of Japan.

The project, one of the largest Sino-foreign petrochemical joint projects since the 1950s in China, is designed to produce 250,000 tons of pure terephthalic acid (PTA) annually after it is completed in 1995. PTA is the basic raw material for the production of polyester, which is a major component in the manufacture of chemical fibres used by the textile industry.

The PTA project is a major part of the Tianjin 200,000-ton polyester project. Investment in the PTA project accounts for about one fifth of total investment in the 200,000-ton polyester project.

Construction of the PTA project is expected not only to speed up construction of a large chemical fibre production base in Tianjin, but also to promote development of the country's rapidly growing textile industry.

Sheng Huaren, Sinopec President, said at the signing ceremony that Sinopec will lend its full support to the construction of the PTA project "so as to make it a complete success."

Shaanxi Secretary Meets Japanese Group Chief

HK2002063693 Xian Shaanxi People's Radio Network in Mandarin 0030 GMT 12 Feb 93

[Text] Yesterday afternoon, provincial CPC Secretary Zhang Boxing cordially met with (Kunimitsu Kitao), president of the Japanese Asia Exchange Association, who is visiting Xian. The Japanese Asia Exchange Association is exceedingly concerned about and has been rendering vigorous support [words indistinct] to China's economic development. Mr. (Kitao) has visited China many times and is an old friend of China and provincial CPC Secretary Zhang Boxing. Upon seeing him, Secretary Zhang told Mr. (Kitao): I am very honored to see you again in Xian. You have visited China more than 100 times and are a pioneer in this respect. Mr. (Kitao) sent the regards of Mr. (Gaiji Fujimoto), president of the Japanese Association of Economic Organizations, to Zhang Boxing. Zhang Boxing thoroughly explained the achievements in various aspects since Shaanxi's reform and opening, especially the achievements Shaanxi Province has obtained in economic development since Deng Xiaoping made his important remarks during his southern tour last year. He said: Due to the deepening of reform, opening up has been quickened, and moreover, the entire province's economic capacity has rapidly improved and the people's living standard has improved. The political and social situations are stable and improving. Since we attach importance to infrastructural development, the investment environment has improved and foreign-invested enterprises are developing rapidly. Zhang Boxing hoped that in the future, Japan's economic circles will render support in such aspects as the exploitation of the oil fields in northern Shaanxi and infrastructural development. Mr. (Kitao) said: The Japanese side is willing to help and cooperate in all aspects of Shaanxi's development. The meeting lasted one hour. At the end of the meeting, Secretary Zhang Boxing asked Mr. (Kitao) to send his regards to Mr. (Fujimoto), president of the Japanese Association of Economic Organizations.

Southeast Asia & Pacific

Qian Qichen Meets Senior Indonesian Diplomat

OW2002125693 Beijing XINHUA in English
1238 GMT 20 Feb 93

[Text] Beijing, February 20 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen met here today with Wirjono Sastrohandojo, director-general for political affairs of the Indonesian Foreign Ministry.

During the meeting, Qian and Wirjono expressed their satisfaction at the rapid development of bilateral friendly relations of cooperation since the restoration of diplomatic relations in 1990.

According to sources at the Chinese Foreign Ministry, Qian said the cooperation between the two countries in various fields was on the right track, while Wirjono said

the Indonesian side was confident about the prospects of Indonesian-Chinese relations.

On regional cooperation, Qian said that the economy of the Asia-Pacific region was full of vitality and the region was enjoying relative political stability.

He added that the period around the turn of the century will be an important opportunity for countries in the region, and they should treasure the opportunity and strengthen cooperation to achieve common development.

The foreign minister said that China attached particular importance to cooperation with the Association of Southeast Asian Nations (ASEAN).

Wirjono was quoted as saying that Indonesia and other ASEAN countries were actively seeking dialogue and cooperation with China.

Wirjono, leading a delegation of high-ranking officials from the Indonesian Foreign Ministry, arrived on Thursday. They had consultations on Friday with Chinese Vice-Foreign Minister Xu Dunxin. The two sides exchanged views on bilateral relations and regional and international issues of common interests.

Sources at the Chinese Foreign Ministry said the consultations achieved "positive results".

Philippine Official Denies Ramos To Visit Taiwan

OW1902155293 Beijing XINHUA in English
1431 GMT 19 Feb 93

[Text] Beijing, February 19 (XINHUA)—Foreign Secretary of the Philippines here today refuted the rumor that President Fidel V. Ramos would pay a visit to Taiwan.

Roberto R. Romulo, visiting secretary of foreign affairs of the Philippines, made the denial in an interview with XINHUA this afternoon.

He told XINHUA that he had just made a call to the press secretary of the president, who "apparently denied that to the press this morning."

"And we will deny it again," Romulo said.

The foreign secretary spoke of "the most important issue" of his visit as a "common agreement that Philippines-China relations will be improved even further, particularly in the economic realm."

He agreed that his current visit serves to pave the way for the coming visit by President Ramos, saying it is something like an "advance party."

"I think, it is important that during the forthcoming visit of our president, we use this event for economic purposes," for the mutually-beneficial cooperation will allow the two countries to "complement each other" in common development, he said.

Philippine-Chinese relations have made great strides since the two countries signed a joint communique here in 1975 and those ties should be further enhanced, along with increased economic cooperation, he said.

On his impressions of "the tremendous strikes made by China in the last decade," he said that "in many ways, all the developing countries can learn from it."

As for whether the rapid growth would make other nations ill at ease, he said, "From the Philippines' perspective, I do not believe that there is a threat to the Philippines from China." He added, "I believe that China really wants to cooperate in every possible way for our economic development."

On the Philippines' policy towards Taiwan, he said that "we believed that Taiwan is an inalienable part of China and we recognize only one China."

Touching the relations between the Association of Southeast Asian Nations (ASEAN) and China, the secretary noted that China hopes to have more mechanisms that will allow for both multi-lateral and bilateral discussions between China and ASEAN.

He confirmed that ASEAN has been studying the proposal and hopefully will reach an appropriate consensus so as to respond to China soon.

Referring to the agreement reached at an ASEAN ministerial conference last July in Manila that the issue of the South China Sea should be settled peacefully and conflict avoided, he said that there should be increased dialogue and continued "meaningful cooperation."

Also, he said, China should participate in "all the economic endeavors of ASEAN," because it will be mutually beneficial.

Romulo's father, Carlos Romulo, a long-time foreign minister of the Philippines, was involved in signing the joint communique declaring the establishment of diplomatic ties between the two countries. Talking about his father's contributions to the Philippines-China friendship, the junior Romulo said that "this foreign minister has to carry on that spirit and enhance the relationship even more."

Thai Foreign Minister Visit To Promote Relations

OW2002044893 Beijing XINHUA in English
0434 GMT 20 Feb 93

[Text] Bangkok, February 20 (XINHUA)—Thai Foreign Minister Prasong Sunsiri will visit China on March 27 to promote Thai-Chinese ties and discuss regional issues with Chinese officials.

Prasong made the disclosure during his talk on Thailand's foreign policy with a group of academics on the controversial trip Friday.

The talk was organized by Chulalongkorn University's international understanding program.

"I will discuss the Nobel peace mission in Thailand and the Thai position with the Chinese leaders again," Prasong said.

He said the visits of the Nobel laureates including Dalai Lama to Thailand would not affect its relations with China as such ties are still important to the people of the two countries.

SRV Parliament Chief Praises Beijing's Reform

*OW1702214993 Beijing XINHUA in English
1500 GMT 17 Feb 93*

[Text] Hanoi, February 17 (XINHUA)—Vietnamese National Assembly Chairman Nong Duc Manh said his country can learn from China's experiences in reform and opening up in an effort to improve its own economy.

He was speaking here today during a meeting with Zhang Dewei, the outgoing Chinese ambassador to Vietnam.

Nong Duc Manh said the Vietnamese and Chinese people had had a long history of friendship. The Vietnamese people would never forget China's support and aid during their fight for national liberation and socialist construction, he said.

The national assembly chairman said that since the normalization of bilateral ties, exchanges and cooperation had been strengthened in various fields, including parliament.

Trade Union Delegation Leaves for Vietnam

*OW2102085093 Beijing XINHUA in English
0719 GMT 21 Feb 93*

[Text] Beijing, February 21 (XINHUA)—A Chinese delegation from the All-China Federation of Trade Unions (ACFTU) left here this morning for a friendly visit to Vietnam.

The delegation is headed by Ni Zhifu, vice-chairman of China's National People's Congress Standing Committee and president of the ACFTU.

According to sources, this is the first high level trade union delegation from China to visit Vietnam since the trade unions of the two countries normalized their relations last year.

Yun-7 Passenger Planes Exported to Laos

*OW2002120793 Beijing XINHUA in English
1011 GMT 20 Feb 93*

[Text] Xian, February 20 (XINHUA)—Three Yun-7 passenger airplanes, designed and manufactured by the Xian aircraft company, have been sold to Laos, according to official sources.

The first plane, which began operating in Laos in August of 1991, has flown well for over 1,000 hours and nearly 400,000 km and has carried 50,000 passengers, the sources noted.

The Yun-7 went into production in April of 1986, and by the end of 1992, 87 such planes had been sold to national and local air companies and other customers.

Yun-7 aircraft are now flying over 180 domestic lines. They have safely flown a total of nearly 300,000 hours, according to reliable sources.

Over the past few years, the manufacturer of the Yun-7, which is located in Xian, capital of northwest China's Shaanxi Province, has adopted advanced technologies and processes to renovate the plane.

A new series has been turned out that includes the Yun-7 100 passenger carrier, the Yun-7 200b cargo carrier and the Yun-7 500 cargo carrier.

By the end of this year, the Yun-7 200A passenger plane will make its virgin flight. The model is technologically close to advanced foreign carriers, according to the sources.

Near East & South Asia

Nuclear Industry Corporation President in Iran

Rafsanjani on Nuclear Cooperation

OW2002080093 Beijing XINHUA Domestic Service in Chinese 0231 GMT 17 Feb 93

[By reporter Ge Xiangwen (5514 4161 2429)]

[Text] Tehran, 16 Feb (XINHUA)—Today, Iranian President Rafsanjani stressed that the cooperation to be conducted between Iran and China in nuclear technology is entirely for peaceful purpose.

Rafsanjani made the remarks during a meeting with President Jiang Xinxiang of the China National Nuclear Industry General Cooperation Corporation, who is currently on a visit here.

Rafsanjani said, "All the world should believe that Iran and China cooperate in the field of nuclear technology for the purpose of peaceful utilization of nuclear energy—not for military purposes."

Rafsanjani expressed satisfaction concerning the development of bilateral relations. He said: Cooperation between the two countries in all fields of endeavor has been making smooth progress since his visit to China last year.

Jiang Xinxiang arrived here for a visit on 11 February. He had already held talks with Amrollahi, chairman of Iran's nuclear energy organization, concerning the two countries' cooperation in building a 300,000-kw nuclear power station in Iran.

The Iranian and Chinese leaders reached an agreement on their intent for China to provide the technology and equipment for the construction of a nuclear power station in Iran during Rafsanjani's visit to China last year. At present, business negotiations for the construction of the nuclear power station are being conducted.

Signs Nuclear Power Station Accord

OW2202062893 Beijing XINHUA Domestic Service in Chinese 0412 GMT 22 Feb 93

[By Ge Xiangwen (5514 4161 2429)]

[Text] Tehran, 21 Feb (XINHUA)—Iran and the PRC today signed an agreement on jointly building a nuclear power station in Iran.

Amrollahi, deputy president [as received] and concurrently chairman of the Atomic Energy Organization of Iran, and Jiang Xinxiang, president of the China National Nuclear Industry General Corporation, signed the agreement on behalf of their respective sides. Iranian Deputy Foreign Minister Borujerdi and Chinese Ambassador to Iran Hua Liming attended the signing ceremony.

According to the agreement, the PRC will build two 300,000-kw nuclear power stations for Iran in Khuzestan Province, in the southern part of the country. This will be the largest nuclear power station that the PRC has so far undertaken to build abroad.

The PRC and Iran are signatories to the Nuclear Non-proliferation Treaty. The leaders of both countries stressed that cooperation between the two countries in the construction of the nuclear power stations is for the peaceful utilization of nuclear energy and is entirely for peaceful purposes. The power stations will be subject to protection and supervision by the International Atomic Energy Agency.

Jiang Xinxiang and his party arrived in Iran on 12 February for talks on nuclear power stations. Iranian President Rafsanjani met the delegation on 16 February. After concluding his visit to Iran, Jiang Xinxiang left here today for home.

Vice Foreign Minister Yang Fuchang Ends Iran Visit

OW2202064793 Beijing XINHUA Domestic Service in Chinese 1517 GMT 19 Feb 93

[By reporter Ge Xiangwen (5514 4161 2429)]

[Text] Tehran, 19 Feb (XINHUA)—Chinese Vice Foreign Minister Yang Fuchang concluded his 3-day work visit to Iran and left for home today.

During his stay in Iran, Yang Fuchang held talks with Iranian Deputy Foreign Minister Borujerdi.

On 18 February, Yang Fuchang visited Iranian First Vice President Hasan Habibi, who spoke highly of the development of bilateral friendship and cooperative relations in the past few years and praised China's tremendous economic achievements over the years.

Yang Fuchang and his party arrived in Iran for a visit on 17 February. He had visited the United Arab Emirates, Algeria, and Tunisia before coming to Iran.

Sub-Saharan Africa

Economic, Trade Talks Held With Cameroon

OW2202101693 Beijing XINHUA in English 0930 GMT 22 Feb 93

[Text] Beijing, February 22 (XINHUA)—The third meeting of the joint commission for economic and technological cooperation and trade between China and Cameroon opened here today.

Li Lanqing, Chinese minister of foreign economic relations and trade, and a delegation from Cameroon led by Francis Nkwain, delegate at the ministerial level to the minister of external relations, attended the meeting.

Both Li and Nkwain exchanged views on further growth of bilateral economic ties and trade.

They noted that the volume of trade and types of commodities exchanged are still limited, but agreed that there is great potential for expansion.

Official statistics show that the volume of bilateral trade in 1992 reached 25.64 million U.S. dollars. China imported from Cameroon such products as cotton, cocoa and coffee, while exporting light industrial products, textiles and native and animal products.

Cooperation in labor services has also developed continuously.

Since 1982, the two countries have signed 107 contracts on labor services with a total contracted volume of 57.21 million U.S. dollars.

China has established five solely-invested enterprises and joint ventures in Cameroon.

The delegation led by Nkwain arrived here on Sunday at the invitation of the Chinese Ministry of Foreign Economic Relations and Trade.

Kenyan President Urges Enhanced Relations

OW1902133493 Beijing XINHUA in English 1313 GMT 19 Feb 93

[Text] Nairobi, February 19 (XINHUA)—Kenyan President Daniel Arap Moi said here today that China is a great country which plays an important role in the international arena of politics, economy and humanitarianism.

Meeting with the outgoing Chinese Ambassador Wu Minglian, the president said Kenya and China have maintained excellent relations of cooperation.

He thanked the Chinese Government for its economic assistance to Kenya in the past years, hoping that cooperation between the two countries in various fields will be further enhanced.

In reply, the Chinese ambassador said it is a basic point of China's foreign policy to enhance unity and cooperation with countries of the Third World.

He said, "I am sure that the friendly relations between the two countries will grow continuously."

Kenya and China established diplomatic relations in December 14, 1963.

Chen Xitong Meets Kenyan IOC Member

OW1902141393 Beijing XINHUA Domestic Service in Chinese 1415 GMT 13 Feb 93

[By reporter Li Hepu (2621 6320 2528)]

[Text] Beijing, 13 Feb (XINHUA)—During a meeting with (Mukala), member of the International Olympic Committee [IOC], at the Diaoyutai State Guesthouse in the evening of 13 February, Chairman Chen Xitong of the Beijing 2000 Olympic Games Bid Committee said Beijing will go all out to win the bid for hosting the Olympic Games and will guarantee that the 2000 Olympic Games are satisfactorily sponsored in accordance with the IOC's various conditions.

(Mukala), an IOC member from Kenya, and his daughter arrived in Beijing by airplane in the morning of 13 February at the invitation of the Beijing 2000 Olympic Games Bid Committee. Chen Xitong held cordial and friendly talks with (Mukala). He said: Beijing's bid for hosting the Olympic Games indicates the common desire of the 1.1 billion Chinese people. We look upon the bid for hosting the Olympic Games as an honor for the Chinese people and a contribution they are going to make. We are making efforts to do a good job of all the necessary tasks. Chen Xitong urged (Mukala) to spend more time in Beijing, look around, and offer his valuable views and suggestions on Beijing's bid for hosting the Olympic Games.

(Mukala) said that this was his third trip to Beijing and that he was pleased to see that great changes had taken place in Beijing. He said China helped Kenya build first-rate sports facilities in its capital Nairobi. He believed Beijing will certainly have outstanding, first-rate sports facilities to host the 2000 Olympic Games.

(Mukala) is currently chairman of the Kenya Olympic Committee and was elected member of the IOC in 1990.

Executive Vice Chairman Zhang Baifa and Secretaries General Wan Siquan and Wei Jizhong of the Beijing 2000 Olympic Games Bid Committee also participated in the meeting.

Sierra Leone Foreign Minister on Visit

Meets Qian Qichen

OW2202101593 Beijing XINHUA in English 0800 GMT 22 Feb 93

[Text] Beijing, February 22 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen said here today that China supports the stand of the Organization of African Unity to stabilize the situation in Africa.

He stressed that China is willing to develop relations with the Third World countries on the basis of equality and mutual benefit.

Qian made his comment during talks with visiting Sierra Leone's Foreign Minister, M.L. Kamara, in Beijing today.

According to sources at the Chinese Foreign Ministry, the two ministers exchanged views on bilateral cooperation and on current international issues of common interest.

Qian said that even though China and Sierra Leone are far from each other, they enjoyed friendly relations.

China follows a principle of "mutual support and common development" to develop its relations with Sierra Leone, Qian said, adding the two countries respect each other and do not interfere in the other's internal affairs.

He expressed his thanks to Sierra Leone for its recognition of the one China policy and acknowledgement that Taiwan is part of China.

Touching on African issues, Qian said that the world varies from place to place, and there should not be one mode of development. African nations should have their own ways for self-development, he added.

Kamara said that Sierra Leone values its friendship with China. He said that China has provided Sierra Leone with a lot of aid with no strings attached, which has contributed to the country's development.

Kamara and his party arrived this morning on a six-day official goodwill visit to China. They are here as Qian's guests.

Sees Health Minister

OW2202105393 Beijing XINHUA in English 0951 GMT 22 Feb 93

[Text] Beijing, February 22 (XINHUA)—Chen Min-zhang, Chinese minister of public health, met with M.L.

Kamara, visiting Sierra Leonian foreign minister, and his party here this afternoon.

The two ministers exchanged views on the medical cooperations between the two countries.

CPC Official Supports South African Solidarity

OW1902213493 Beijing XINHUA in English
2016 GMT 19 Feb 93

[By Teng Wenqi]

[Text] Johannesburg, February 19 (XINHUA)—China firmly supports international solidarity conference held here today by South Africa's African National Congress (ANC), a Chinese high-ranking official said here today. [sentence as received]

Huang Guoying, deputy secretary general of the International Liaison Department of the Central Committee of the Communist Party of China (CPC), is attending the three-day conference. At the head of a CPC delegation. [sentence as received]

Huang told the conference that the African National Congress and people of South Africa are imbued with the tradition of protracted struggles against apartheid system over the decades.

"Your struggles have won sympathy and support from peoples in South Africa, in African Continent and around the world," she said.

She said the CPC and the people of China "understand greatly the just struggle carried out by the African National Congress and the South African people."

"The CPC, together with the Chinese people, have been sharing mutual sympathy, mutual support and mutual understanding with the anc for a long time," she added.

Huan also said the cause ANC has been struggling for is just, adding "We are deeply convinced that your aim of building a new South Africa which is united, democratic, racially equal and in conformity with the interests of the South African people, will surely be realized."

West Europe

Major Reportedly Supports China's MFN Status
HK2002050993 Hong Kong MING PAO in Chinese
20 Feb 93 p 2

[“Special Dispatch” from London by UK-based staff reporter Tu Su (2629 2448): “Major Is Said To Try To Lobby Clinton for Unconditional Extension of China's Most-Favored-Nation Treatment”]

[Text] At a time when China and Britain still lack enough confidence to hold negotiations on Hong Kong's political system, the British Government has once again shown friendliness. At his first meeting next Wednesday

with U.S. President Bill Clinton, British Prime Minister John Major will try to lobby the United States to continue the unconditional extension of China's most-favored-nation [MFN] trading status.

A source close to the higher echelons of the British Government said: On Wednesday evening, British Foreign Secretary Douglas Hurd called a ministerial-level meeting to comprehensively review Sino-British relations and the Hong Kong situation.

MING PAO learned: Foreign Secretary Hurd favored adding the issue of China's MFN treatment to the agenda of the meeting between Major and Clinton.

The source went on to say: At the UK-U.S. summit meeting next Wednesday, Major will try to lobby U.S. President Clinton, who has just taken office, to renounce his campaign declaration and continue to unconditionally extend China's MFN status so as not to hinder Hong Kong's economic development.

Since Clinton was elected U.S. President in early November last year, Major has all along been unable to meet him. This visit to the United States will be the first time the two have met.

Agricultural Bank Seeks British Financial Ties

HK1402060093 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 14-20 Feb 93 p 1

[Article by Wu Yunhe: “Agricultural Bank Sets Up Ties With UK”]

[Text] China's leading agricultural bank is taking the first steps to set up links with British financial institutions, according to a senior bank official.

Cao Jiren, general manager of the International Department of the Agricultural Bank of China, said that he will lead a six-member delegation to London next week to sign an agreement with the Midland Bank.

He told Business Weekly that on his first visit to London he aims to introduce a \$10-million loan from Britain and to lay solid foundations for future establishment of affiliated institutions in the West.

"The \$10-million loan to be signed during my visit is only part of a \$25-million British Government loan, with a term of eight years," Cao said.

The British money will allow the agricultural bank to finance five poultry projects in Shandong Province.

The general manager said this is the first loan from Britain since the agricultural bank started its international business in 1988.

Apart from signing an agreement with Midland, Cao plans to have business talks with the officials at the Bank of England to discuss possibilities for setting up the first overseas branch of the Agricultural Bank of China in London.

After getting approval from the People's Bank of China, the bank plans to set up five overseas branches in London, New York, Tokyo, Seoul and Singapore this year.

Cao described the move as "unprecedented."

Cao, who took his job only a year ago but had been a senior official with the country's central bank for decades, said all of the bank's current efforts are serving the goal of ensuring a booming year for the bank's international business.

This year, the bank plans to sharply increase its imports of foreign loans and to multiply foreign exchange savings and interbank borrowing.

The bank is also considering, for the first time, an ambitious plan for a successful issuing of its bonds on Western financial markets, Cao said.

"The agricultural bank is giving priority to its international business while working out its overall strategies for making it more market oriented this year," he added.

Meanwhile, the collection and analysis of international financial information will be enhanced to ensure the smooth operation of international settlements.

During the first half of this year, the bank's branches and offices that handle international settlements will link up with the network of the Society for Worldwide Interbank Financial Telecommunications (Swift).

Swift, established in Belgium in 1973 by major European and North American banks, is designed to offer efficient message processing services to its members across the world through its worldwide computerized telecommunication network.

Latin America & Caribbean

Qian Qichen Stresses Sino-Latin American Ties

*OW2202130493 Beijing XINHUA in English
1233 GMT 22 Feb 93*

[Text] Beijing, February 22 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen said here today that the Chinese Government attaches great importance to the development of friendly relations with Latin American countries.

He was speaking to Mexican and Cuban correspondents from the MEXICAN NEWS AGENCY and PRENSA LATINA news agency at the Diaoyutai State Guesthouse here today. Qian is scheduled to tour Mexico, Brazil, Uruguay, Argentina and Chile next month.

He said the aim of his coming visit is to "consolidate and develop the existing friendship between the Chinese and

Latin American peoples and promote relations of friendship and co-operation between China and Latin American countries."

Talking about Sino-Latin American relations, Qian noted that much progress has been made, characterized by the increased exchange of high-level visits from both sides. The total volume of trade between China and Latin American countries last year was nearly three billion U.S. dollars-worth. China's import volume was about 1.9 billion U.S. dollars-worth, he added.

Qian said the economy of the Latin American countries, after experiencing a debt crisis and a stage of instability in the past, is now back on the normal track.

He told the correspondents that China's policies of reform and opening to the outside world have also achieved magnificent progress and China is accelerating its steps in this regard.

All this has created favorable conditions for the development of mutual co-operation in the economic and trade field, Qian said, adding that the prospects for the economic and trade relations between China and Latin American countries are "very good".

Discussing Sino-Mexican ties, Qian noted that Mexico plays an important role in China's efforts to promote ties with Latin America. He declared that China supports Mexico's efforts to join the Asia-Pacific Economic Cooperation (APEC).

He continued that Sino-Mexican ties have been growing smoothly over the past two decades, and China attaches great importance to the development of the bilateral relations and hopes such relations will further develop.

Mexico is located in an important position linking North and South America, and American and Asia-Pacific countries; it can serve as a bridge for economic co-operation, he noted.

Discussing the agreement for joining the North America Free Trade Association (NAFTA) signed by Mexico, the United States and Canada, Qian noted that the trend of forming various economic blocks in the world is gaining momentum. However, he said, "China hopes that such regional blocks are not exclusive or closed. Rather, they should be open and instrumental in developing the economies and trade of the whole world."

Qian expressed the conviction that Mexico's joining the NAFTA will not affect Sino-Mexican trade.

Qian disclosed that during his tour of Mexico he and the Mexican foreign minister will attend a meeting of the Sino-Mexican Economy and Trade Committee.

In conclusion, Qian said that China and the Latin American countries including Mexico will adopt new ways and means to create better conditions for co-operation between enterprises of the two sides and encourage them to have more contacts and exchanges.

Political & Social

Petition Threatens Bao Tong's Visiting Rights
HK2202040893 Hong Kong SOUTH CHINA MORNING POST in English 22 Feb 93 p 8

[By Daniel Kwan]

[Text] Bao Tong, the senior aide of former Chinese Communist Party (CCP) boss Mr Zhao Ziyang, has been informed that he must forfeit his rights to see his family if he decides to press ahead with a petition to seek an early release from prison on medical grounds.

The decision to bar the 60-year-old former CCP Central Committee member from meeting his family was said to have been made at the "very top" of the leadership and has been formally endorsed by the Ministry of Justice and Ministry of Supervision.

Unlike a number of Tiananmen Square activists, including editors Wang Juntao and Chen Ziming, who were allowed to spend a few hours with their families during the Lunar New Year, Bao was denied such "lenient treatment".

Instead, his family was told they must follow prison rules and only visit Bao once every two months.

Although Bao has not had any major illness, his white blood cell count is still below the normal level and he suffers from a chronic stomach ache.

Since the release of Mr Gao Shan and Mr Wu Xuecan, Bao is the last known political prisoner in jail because of his links with Mr Zhao.

Sentenced last August, for "leaking state secrets and counter-revolutionary incitement", Bao has served more than half of his seven-year jail sentence.

Under Chinese law, Bao is technically eligible for early parole. But despite the recent releases of student leader Wang Dan, sources said it was not yet likely that Bao would be accorded such a favour.

"It seems that they fear that an early parole of Mr Bao would be interpreted as a partial rehabilitation of June 4th," said a source referring to the 1989 massacre.

The authorities' hesitation was also reflected in the recent rejection of an application by Mr Zhao to visit Guangdong.

"It also indicated that the possibility of Mr Zhao returning to politics in the near future was very very slim," the source added.

Meanwhile, Mr Gao, who was released from jail last month, has yet to find a job.

Sources said the decision to release the 37-year-old economist was apparently made "hastily".

Dissident Lu Jiamin To Return to 'Academic Work'

HK2002035293 Hong Kong SOUTH CHINA MORNING POST in English 20 Feb 93 p 8

[By John Kohut in Beijing]

[Text] Chinese authorities have allowed a noted dissident to return to academic work for the first time since June 1989 in another move aimed at improving its human rights image.

Mr Lu Jiamin, in his late 40s, was freed in January 1991 after spending 18 months in jail. Although he had been found guilty of "committing only minor crimes", Mr Lu was left without work for months after his release until being allowed to work at a library.

But on Wednesday, the authorities told him they would restore the salary and other benefits he used to enjoy as an associate professor of politics at the China Labour College, an institution for training cadres of the official All-China Federation of Trade Unions.

For the time being, Mr Lu is not allowed to teach.

However, he will be allowed to work at the research office of his college. Mr Lu said he planned to do research on the economy.

"It represented a relaxation of the policy," Mr Lu said.

In contrast, another dissident, social scientist Mr Li Honglin, is still being denied permission to go to the United States.

Mr Li was released without charges in May 1990 after spending 10 months in jail. He was detained just after the 1989 Beijing massacre for allegedly committing a crime in trying to negotiate dialogue between the Government and student leaders of the democracy movement.

Since being released from detention, he has not been allowed to do research.

The Public Security Ministry in Beijing has told Mr Li that he may go abroad once exit procedures have been completed.

But Mr Li's former work unit, the Fujian Academy of Social Sciences, has refused to write a "letter of introduction" on his behalf. Without such a letter, he cannot get a passport.

Mr Li said he would leave for Fujian today to seek out authorities and get them to give him the required letter or an explanation for refusing to help him.

Another liberal scholar who has not been allowed to leave China was legal expert Mr Yu Haocheng.

Mr Yu said there was no progress on his application to leave the country.

CPC Plenum Reportedly To Begin 2 March

*HK2102074693 Hong Kong MING PAO in Chinese
21 Feb 93 p 25*

[By MING PAO special reporter Chung Chih-ming: "Second Plenary Session of the 14th CPC Central Committee Will Open 2 March"]

[Text] Beijing (MING PAO)—A reliable source has revealed that the Second Plenary Session of the 14th CPC Central Committee is to open in Beijing on 2 March. Information has it that Nie Bichu, the incumbent mayor of Tianjin Municipality, has been appointed secretary of the Tianjin CPC Committee, and a decision has been made on the assignment of former Hainan Governor Liu Jianfeng to the position of Tianjin mayor. This signifies a completion of a reshuffle of leading personnel of the three municipalities directly under the central authorities, namely, Beijing, Tianjin, and Shanghai.

Another report said that since Liu Jianfeng, who should have been assigned to head the new Ministry of Electronics Industry according to the original personnel arrangement, is now to be appointed Tianjin mayor, the position of minister of electronics industry will be assigned to Hu Qili, incumbent vice minister of the machine-building and electronics industry and a former member of the CPC Political Bureau Standing Committee who was disgraced after the 4 June Incident.

It is said that the forthcoming Second Plenary Session of the 14th CPC Central Committee, apart from hearing a work report delivered by Jiang Zemin on behalf of the Political Bureau four-and-a-half months after he assumed office, will mainly be devoted to discussion on affairs related to the Eighth National People's Congress [NPC] and the Eighth Chinese People's Political Consultative Conference [CPPCC], including a "government work report" to be delivered by Li Peng, and the reports on financial budget, final accounts, and national economic development to be submitted by the State Planning Commission and Ministry of Finance. It is said that Hu Jintao, member of the Political Bureau Standing Committee, will also make a report on behalf of the Political Bureau to explain the nomination of candidates for leading officials to be recommended to the NPC and the CPPCC for ratification.

Present at the Second Plenary Session will be all the members and alternate members of the CPC Central Committee, all the members of the Central Commission for Discipline Inspection, and officials in charge of all provinces, municipalities, and departments. The plenum will last three to four days.

Since Tan Shaowen, member of the CPC Political Bureau and secretary of the Tianjin Municipality CPC Committee, passed away before the second plenum's opening, thus leaving a vacancy in Tianjin's leading body, the central authorities have decided at the last moment to assign 65-year-old Nie Bichu, incumbent

deputy secretary of the Tianjin Municipality party committee and Tianjin mayor, to succeed Tan Shaowen as municipality party committee secretary; and Liu Jianfeng (57 years old, a Tianjin native) has been nominated to take the post of Tianjin mayor. The latter's appointment is subject to ratification by a municipality people's congress session to be held very soon. On the other hand, the selection of candidates to form the party and government leading bodies of Beijing Municipality was already decided in early February. Chen Xitong will be appointed secretary of the municipality party committee, and Li Qiyan as mayor. As for Shanghai, no personnel change will be effected during the ongoing people's congress. Wu Bangguo will remain secretary of the municipality party committee, and Huang Ju mayor of Shanghai. So the selection of leading personnel has been basically decided for Beijing, Tianjin, and Shanghai, the three municipalities directly under the central authorities which are of vital importance to China.

By the way, the appointment of Hu Qili, who has always been a focus of public attention, as head of the new Ministry of Electronics Industry, is none too surprising. Since his being discharged from his official posts together with Zhao Ziyang after the 4 June Incident, Hu has remained openminded and modest, keeping a low profile and always speaking in appropriate terms on public occasions. It is said that he is in Deng Xiaoping's good graces, and has been praised by the latter for his "strong party spirit and high ability." For this reason, the 64-year-old Hu Qili was the only one among the disgraced cadres of the Zhao system who emerged from the 14th CPC National Congress last year, keeping the title of CPC Central Committee member. His performance as vice minister of the machine-building and electronics industries has been appreciated too. Hence many people believe that he would stage a comeback one day.

Hu had formerly been the number three man in the Ministry of Machine-Building and Electronics Industries. Minister He Guangyuan had been in charge of the machine-building industry; First Vice Minister Zeng Peiyan (who was promoted during Jiang Zemin's office as minister of electronics industry) [as published] had been in charge of the electronics industry; and Hu Qili was second vice minister, also in charge of the electronics industry. A year ago, Zeng Peiyan was promoted to deputy head of the central leading group in charge of financial and economic affairs (with Jiang Zemin as head). So Hu Qili became the only vice minister in charge of the electronics industry. Now that Liu Jianfeng (also a good friend of Jiang Zemin), who has been alleged to be appointed minister of electronics industry, is reassigned to the post of Tianjin mayor, and that the original Ministry of Machine-Building and Electronics Industry is to be divided into two different ministries, Hu Qili is thus recommended to head the Ministry of Electronics Industry.

The informed source disclosed that although opinions still vary on the appointment of Hu Qili as minister of

electronics industry, it is generally expected that the proposed appointment is very likely to turn true.

Official Urges Reducing Scope of State Secrets

HK2202082093 Hong Kong AFP in English 0801 GMT
22 Feb 93

[Text] Hong Kong, Feb 22 (AFP)—China must reduce the scope of its state secrets to reflect the new atmosphere of opening and reform, a Chinese official was quoted here as saying Monday.

Shen Hongying, head of the state secrets protection bureau, said in an interview with the overseas edition of the weekly Outlook [LIAOWANG] magazine that the scope of secrecy legislation should be reduced.

At the same time, there was a need to tighten protection of genuine secrets amid further opening to the outside world.

He said the current scope of state secrets were "too wide" and "the degree of confidentiality too high." Leaking state secrets amounts to treason, punishable by life imprisonment.

"It is difficult to be on the alert protecting state secret when there are too many to protect, and almost everything is confidential," Shen said.

The confusion hurts business, he said, with Chinese officials losing deals with overseas concerns because they were too afraid to offer them information needed to make investment decisions.

He said other officials were too eager to impress foreigners, disclosing confidential information.

'Hordes of Beggars' Cause Problems in Cities

HK2202054993 Beijing ZHONGGUO XINWEN SHE
in English 0617 GMT 20 Feb 93

[Text] Beijing, February 20 (CNS)—Hordes of beggars have spread throughout Beijing, Shanghai, Guangzhou and Shenzhen in recent years, forming gangs and causing serious public order problems. Quite a number of them have crossed the border in Hong Kong looking for greener pastures.

Such rampancy of beggars, particularly in these four places, is attributed to the unsolved problem of poverty in the inland provinces. Poverty-stricken people from such regions have flocked to the relatively economically developed areas of the country to beg for a living, considering it "a way to wealth".

The beggars use various ways of begging, however, there are six main ways they do this.

First, some beggars resort to playing on people's sympathy and try their best to appear so miserable that people feel sorry for them and give them money.

Second, some beggars impede the way of passers-by who reluctantly give them money to be rid of them.

Third, some beggars force their unsolicited services on people entering or alighting from vehicles, expecting payment in return.

Fourth, some beggars act tragically to convince passers-by of their miserable and bitter life such as being the victims of family disasters or family illness.

Fifth, some beggars are mere children, some of whom, in fact, have had several year's experience in begging while others started in their infancy at their parents' instigation.

Sixth, there is a group of beggars who wander around in the daytime not to beg for money but to target houses which they can break into at night or other suitable time.

Many Mainlanders, some of them handicapped, have in recent years secretly entered Hong Kong to practise begging. They return home after having earned a lot of money there. The Hong Kong police have so far found it difficult to effectively eliminate such rampant begging in the territory. All they can do at present is to strengthen the officers on patrol to create a measure of deterrence with regard to such beggars.

Seventh NPC Standing Committee Session Closes

Appointments, Removals Announced

OW2202123593 Beijing XINHUA Domestic Service in Chinese 1057 GMT 22 Feb 93

[Text] Beijing, 22 Feb (XINHUA)—Namelist of appointments and removals adopted at the 30th meeting of the Seventh National People's Congress [NPC] Standing Committee on 22 February 1993:

Wang Xiaojun (3769 2556 6511), Sun Shengge (1327 0524 2960) (female), Wang Qingxin (3769 1987 2450), Yang Shiming (2799 0013 2494), Qi Tongjun (2058 0681 0193), Rong Lijin (2837 4409 3866) (female), Xia Daohu (1115 6670 5706), and Tong Jianming (4547 1696) are appointed procurators of the Supreme People's Procuratorate.

Ci Bosong (5591 2672 2646) and Zhang Zhiyou (1728 0037 0642) are removed from the posts of procurators of the Supreme People's Procuratorate.

More Appointments Approved

OW2202132193 Beijing XINHUA Domestic Service in Chinese 1049 GMT 22 Feb 93

[List of Appointments Approved by the 30th Session of the Seventh National People's Congress Standing Committee in Beijing—date not given]

[Text] Beijing, 22 Feb (XINHUA)—1. Approve the appointment of He Fangba [0149 6018 2149] as chief procurator of the Beijing Municipal People's Procuratorate.

2. Approve the appointment of Zuo Xiang [1563 4382] as chief procurator of the Shanxi Provincial People's Procuratorate.

3. Approve the appointment of Li Xiangwu [2621 0686 2976] as chief procurator of the Jilin Provincial People's Procuratorate.

4. Approve the appointment of Yu Wanling [0060 8001 1545] as chief procurator of the Heilongjiang Provincial People's Procuratorate.

5. Approve the appointment of Ge Shengping [5514 5110 1627] as chief procurator of the Zhejiang Provincial People's Procuratorate.

6. Approve the appointment of Liu Sheng [0491 3932] as chief procurator of the Anhui Provincial People's Procuratorate.

7. Approve the appointment of Zheng Yizheng [6774 5030 2973] as chief procurator of the Fujian Provincial People's Procuratorate.

8. Approve the appointment of Que Guishan [7067 6311 0810] as chief procurator of the Jiangxi Provincial People's Procuratorate.

9. Approve the appointment of Zhang Shuhai [1728 2885 3185] as chief procurator of the Hunan Provincial People's Procuratorate.

10. Approve the appointment of Wang Jun [3769 7486] as chief procurator of the Guangdong Provincial People's Procuratorate.

11. Approve the appointment of Qin Xingmin [4440 6821 3046] as chief procurator of the Hainan Provincial People's Procuratorate.

12. Approve the appointment of Wei Jianeng [7279 1367 5174] as chief procurator of the Guangxi Zhuang Autonomous Regional People's Procuratorate.

13. Approve the appointment of Gong Dulun [7895 6236 0243] as chief procurator of the Sichuan Provincial People's Procuratorate.

14. Approve the appointment of Hu Kehui [5170 0344 1920] (female) as chief procurator of the Guizhou Provincial People's Procuratorate.

15. Approve the appointment of Yang Youcui [2254 2589 2088] as chief procurator of the Tibet Autonomous Regional People's Procuratorate.

16. Approve the appointment of Li Dekui [2621 1795 1145] as chief procurator of the Gansu Provincial People's Procuratorate.

17. Approve the appointment of Zhang Jimin [1728 3444 3046] as chief procurator of the Qinghai Provincial People's Procuratorate.

18. Approve the appointment of Mijiti Kurban as chief Procurator of the Xinjiang Uygur Autonomous Regional People's Procuratorate.

Labor Minister Dismissed

OW2202112393 Beijing XINHUA Domestic Service in Chinese 1027 GMT 22 Feb 93

[Text] Beijing, 22 Feb (XINHUA)—PRC Presidential Decree 72:

Labor Minister Ruan Chongwu is removed from his post in accordance with the decision reached by the 30th meeting of the Seventh National People's Congress Standing Committee on 22 February 1993.

PRC President Yang Shangkun

22 February 1993

Deputies' Credentials Discussed

OW1902150293 Beijing XINHUA in English 1438 GMT 19 Feb 93

[Text] Beijing, February 19 (XINHUA)—The 30th session of the Standing Committee of the Seventh National People's Congress (NPC) listened to deliberations on the credentials of the deputies to the Eighth NPC here today.

Meng Liankun, vice-chairman of the NPC Standing Committee's Credentials Committee, said today that the election of the deputies of the Eighth NPC is legal and the credentials of all the 2,977 deputies are valid.

Chen Jinhua, minister of the State Commission for Restructuring the Economy, reported the progress of China's economic reform in 1992 and outlined the main task of 1993 at today's meeting.

He called on all departments to carry out bold experiments so as to lay the basis for the new socialist market economy.

Li Xuezhi, vice-chairman of the NPC's Nationalities Committee, delivered the report on the inspection of the implementation of the law on regional autonomy for China's minority nationalities.

He said that China is a multi-nationality country and to secure the unity of the country and keep the solidarity of all nationalities is of great significance to the country's modernization drive.

Zou Yu, vice-chairman of the NPC's Committee for Internal and Judicial Affairs, reported on the results of an inspection into the implementation of the civil procedure law.

He said that great progress had been made in implementing the law, but there is still a long way to go to meet the demand of the masses and social development.

Liu Bing, vice-chairman of NPC's Education, Science, Culture and Public Health Committee, delivered the inspection report on the implementation of the law on copyright.

Between June, 1991, when the law became effective, and May, 1992, some 230 copyright disputes were mediated in the country and 214 cases concerning copyrights were accepted by courts, he said.

At today's meeting, the reports on inspection of implementation of the law on protection of minors, the law on the entry of foreigners, the law on the exit and entry of Chinese citizens and the customs law were also delivered.

2,977 To Attend 8th Congress

OW1902141493 Beijing XINHUA Domestic Service in Chinese 1000 GMT 19 Feb 93

[By reporters Zhang Sutang (1728 1372 1016) and Zhang Yinshu (1728 6892 5002)]

[Text] Beijing, 19 Feb (XINHUA)—Meng Liankun, vice chairman of the Credentials Committee of the Seventh National People's Congress [NPC] Standing Committee, declared here today that the Eighth NPC will have 2,977 deputies.

Meng Liankun disclosed the figure when reporting to the 30th session of the Seventh NPC Standing Committee about the results of examining the deputies' credentials. In that report, which he submitted to the NPC Standing Committee for examination, he said: According to regulations, 2,979 deputies were elected in various provinces, municipalities under the central government's direct jurisdiction, autonomous regions, and the People's Liberation Army [PLA] to attend the Eighth NPC. However, since Tan Shaowen, a deputy elected in Tianjin, and Yang Bingqi, a deputy elected in Inner Mongolia, died after being elected, there are now 2,977 deputies. He said that the Credentials Committee had examined the credentials of these deputies, who were chosen from a larger number of candidates, and acknowledged their validity.

It has been learned that the deputies to the Eighth NPC are very representative. Deputies from various sectors all account for a certain percentage of the total number. The 612 deputies elected from among the workers and peasants account for 20.56 percent of the total number of deputies; the 649 deputies elected from among the intellectuals account for 21.8 percent of the total number of deputies; the 841 deputies elected from among the cadres account for 28.25 percent of the total number; the 572 deputies elected from among the democratic party members and nonparty patriots account for 19.21 percent of the total number; the 267 PLA deputies account for 8.97 percent of the total number; and the 36 deputies

elected from among the returned Overseas Chinese account for 1.21 percent of the total number. The number of deputies elected in Hong Kong and Macao has also increased.

Among the deputies, 2,046 of them, or 68.73 percent, are at least college-educated; 1,114 of them, or 37.42 percent, are technicians of various fields; 2,036 of them, or 68.39 percent, are CPC members; 626 of them, or 21.03 percent, are female deputies; and 439 of them, or 14.75 percent, are deputies of national minorities. While all of the 55 national minorities in the country have their deputies, people of Hui, Zhuang, Man, Mongolian, Tibetan, Miao, Uygur, Yi, Tujia, and Korean nationalities are each represented by more than 10 deputies. Reelected this time are 859 deputies, or 28.85 percent of the total number of deputies, who were elected to attend the Seventh NPC.

Meng Liankun said: Among the Eighth NPC deputies, there are scientists and technicians who are inventors and innovators; model educators loyal to the educational cause; enterprising reformers and entrepreneurs; peasant-turned entrepreneurs who have achieved outstanding successes in operating their businesses; model workers, "shock forces of the New Long March," and female red flag pacesetters; and heroes who have made outstanding contributions in defending the motherland, in saving lives and property during natural disasters, in maintaining public order, and in safeguarding the four modernizations. The majority of them are vigorous middle-aged and young people. The fact that they have been elected to be NPC deputies and their direct involvement in managing state affairs are significant for establishing closer ties between themselves and the masses, for exercising their powers according to law, and for promoting reforms and economic development.

8th NPC Deputies Demographics

OW2202114293 Beijing XINHUA Domestic Service in Chinese 1003 GMT 22 Feb 93

[Text] Beijing, 22 Feb (XINHUA)—XINHUA today transmitted the entire namelist of the deputies to the Eighth National People's Congress [NPC]. There will be 2,977 deputies attending the Eighth NPC.

The NPC Standing Committee issued a notice today announcing the namelist of the deputies to the Eighth NPC. The notice said that the NPC Standing Committee affirmed the validity of the 2,977 deputies in accordance with the examination report submitted by the Credentials Committee.

Of the deputies to the Eighth NPC, 62 are from Beijing Municipality; 49 from Tianjin; 110 from Hebei Province; 69 from Shanxi Province; 62 from Inner Mongolian Autonomous Region; 146 from Liaoning Province; 88 from Jilin Province; 131 from Heilongjiang Province; 70 from Shanghai Municipality; 137 from Jiangsu Province; 117 from Zhejiang; 103 from Anhui Province; 69 from Fujian Province; 83 from Jiangxi Province; 179

from Shandong Province; 152 from Henan Province; 113 from Hubei Province; 112 from Hunan Province; 162 from Guangdong Province; 89 from Guangxi Zhuang Autonomous Region; 17 from Hainan Province; 205 from Sichuan Province; 72 from Guizhou Province; 83 from Yunnan Province; 19 from Tibet Autonomous Region; 66 from Shaanxi Province; 43 from Gansu Province; 17 from Qinghai Province; 14 from Ningxia Hui Autonomous Region; 58 from Xinjiang Uygur Autonomous Region; 13 from Taiwan Province; and 267 from the Chinese People's Liberation Army.

Session Closes

OW2202115293 Beijing XINHUA Domestic Service in Chinese 1011 GMT 22 Feb 93

[By reporters Zhang Sutang (1728 1372 1016) and Zhang Yinshu (1728 6892 5002)]

[Text] Beijing, 22 Feb (XINHUA)—The eight-day, 30th session of the Seventh National People's Congress [NPC] Standing Committee closed at the Great Hall of the People this afternoon after adopting all motions.

Standing Committee Chairman Wan Li presided.

On the basis of the CPC proposal on revising part of the Constitution, the NPC Standing Committee produced the Draft Amendments to the PRC Constitution. By a vote held at today's meeting, the Standing Committee members decided to present this draft to the First Session of the Eighth NPC for deliberation. The views which the Standing Committee members expressed while deliberating on the proposal will also be studied at the session.

Four draft laws were adopted through voting. They are: The National Security Law, the NPC Standing Committee Decision on Revising the Trademark Law, the NPC Standing Committee's Supplementary Regulations for Punishing Crimes for Counterfeiting Trademarks, and the Law on Product Quality. President Yang Shangkun today ordered the promulgation of these four laws with Presidential Orders Nos. 68, 69, 70, and 71.

The National Security Law has 34 articles in five chapters: General Principles, Responsibilities and Powers of National Security Organs in Operations Concerning National Security, Obligations and Privileges of Citizens and Organizations in Safeguarding National Security, Legal Responsibilities, and Supplementary Articles. This law will become effective upon promulgation.

The NPC Standing Committee Decision on Revising the Trademark Law has revised the law in nine places. According to the decision, the Trademark Law shall be revised on the basis of the decision, and then it shall be promulgated again. The decision concerning the revision will become effective on 1 July 1993.

The NPC Standing Committee's Supplementary Regulations for Punishing Crimes for Counterfeiting Trademarks have four articles prescribing heavier punishments for crimes, stipulated in the Criminal Law, for counterfeiting trademarks. The regulations will become effective on 1 July 1993.

The Law on Product Quality has 51 articles in five chapters. They are: General Principles, Supervision of Product Quality, Responsibilities and Obligations of Producers and Sellers for Product Quality, Compensation for Damages, Penalties, and Supplementary Articles. This law will become effective 1 September 1993.

Today's meeting also voted and decided to present the draft Basic Law of the Macao Special Administrative Region [SAR], the draft design of the Macao SAR flag, and the draft design of the Macao SAR insignia to the first session of the Eighth NPC for deliberations.

The meeting approved the report, submitted by the Seventh NPC Standing Committee Credentials Committee, on examining the credentials of deputies to the Eighth NPC. The meeting also decided to publicize the list of the deputies' names.

In view of the fact that Ruan Chongwu has already assumed the leading office of Hainan Province, the meeting, on the basis of Premier Li Peng's proposal, decided to dismiss Ruan Chongwu from his office as minister of labor. The meeting also approved other appointments and dismissals.

The Standing Committee had a plenary discussion this morning under the chairmanship of Vice Chairman Liao Hansheng. On behalf of the Law Committee, Song Rufen, vice chairman of the committee, made a report on views about revising the several draft laws which the Standing Committee had deliberated on. Standing Committee Members Li Chonghuai, Chen Xian, Gu Ming, Dong Fureng, Jiang Ping, Chen Shunli, Chen Suiheng, Wu Dakun, Guo Liwen, Hu Dehua, and Liu Yandong and Comrades Ye Lin and Xu Kongrang took the floor or submitted written reports about their views on revising the Constitution, the development of the Changjiang Delta, restructuring the textile export system, implementing the National Security Law, improving the operations of the special group in charge of women and children affairs, doing a good job in protecting juveniles, and other issues.

Vice Standing Committee Chairmen Peng Chong, Ngapoi Ngawang Jigme, Seypidin Aza, Yan Jici, Rong Yiren, Ye Fei, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, and Wang Hanbin attended today's meeting.

Li Guixian and Chen Junsheng, state councillors; Ren Jianxin, president of the Supreme People's Court; and Liu Fuzhi, procurator general of the Supreme People's Procuratorate, attended today's meeting as nonvoting observers.

**Chen Jinhua Addresses NPC Standing Committee
Reports on Opening Up Progress**

*OW1902151993 Beijing XINHUA in English
1449 GMT 19 Feb 93*

[Text] Beijing, February 19 (XINHUA)—Chen Jinhua, minister of the State Commission for Restructuring the Economy, said today that China's reform and opening proceeded at a historically substantial depth and breadth and that reform of the foreign trade system was further deepened in 1992.

Chen made the remarks when reporting on the reform of the national economic system at the 30th meeting of the Standing Committee of the Seventh National People's Congress.

He said that last year the State Council approved the opening of five riverside cities, 18 provincial capitals, 13 border cities and 34 ports while quickening the construction of the Pudong New Area in Shanghai and approving of the establishing of the Yangpu economic development zone in Hainan Province.

Thus, he said, a new structure of opening in all levels and all dimensions was formed.

He said that China also opened more domains to the outside world last year. The state approved six cities including Beijing and Shanghai and five economic special zones to set up one or two foreign-funded retail sales enterprises each.

Last year the state loosened control of banking, insurance, and tourism, industries hitherto forbidden to foreign investors or operated under set limitations.

He said that in accordance with the demand for regaining China's status in GATT and developing the market economy, China last year stressed reform of the import management system, lowered tariffs for 3,371 imported commodities and abolished the import regulation tax, thus speeding up the development of foreign trade.

The official said that due to these measures, more foreign businessmen came to invest in China last year.

By the end of last year, some 84,000 joint ventures were registered in China, 41,000 more than in 1991.

He said that China last year utilized 18.8 billion U.S. dollars of foreign investment, including 11.16 billion U.S. dollars of direct foreign investment, which increased 1.6 times over 1991.

Comments on Economic Reform

*OW1902162693 Beijing XINHUA in English
1554 GMT 19 Feb 93*

[Text] Beijing, February 19 (XINHUA)—China's economic reform this year will focus on adjustment of the economic structure, transformation of the operational

mechanism of state-owned enterprises, price reform, market development and changes to government functions, a Chinese official said today.

According to Chen Jinhua, minister of the State Commission for Restructuring the Economy, establishment of a market economy is the goal of the reform.

State-owned industrial enterprises will have more power in management, including the management of personnel, labor, internal distribution, pricing of products, investment policy, imports and exports.

Provincial and certain municipal governments and the ministries of the State Council will, on a trial basis, choose one or two enterprises which can issue shares to the public and list their shares in other cities.

Chen said that measures will be taken to avoid inflation and ensure a general balance between demand and supply while speeding up price reform.

Efforts will be made to set up an open and unified market and oppose regional protectionism.

A financial structure which emphasizes the role of the Central Bank in macro-control will be established to ensure the stability of the value of renminbi and the stable growth of the economy.

Social welfare reform will focus on insurance for the unemployed and elderly.

Commercialization of houses will be accelerated as part of the housing reform.

Discusses Private Enterprises

OW1902224993 Beijing XINHUA Domestic Service in Chinese 1030 GMT 19 Feb 93

[Text] Beijing, 19 Feb (XINHUA)—As of the end of 1992, there were 139,000 private enterprises in China, with registered capital of 22.12 billion yuan and employing 2.32 million people; the number of self-employed industrial and commercial entities, 15,339 million, with assets worth 60.1 billion yuan at their disposal and employing 24.677 million people, showed greater progress than those in 1991.

This was disclosed by Chen Jinhua, minister of the State Economic Restructuring Commission, who reported today on the situation of economic restructuring at the 30th session of the Seventh National People's Congress Standing Committee. He said: The number of registered foreign-funded enterprises in China topped 84,000 at the end of 1992, an increase of 41,000 over 1991. Foreign capital actually utilized during the year amounted to \$18.8 billion, of which \$11.16 billion was direct foreign investment, up 160 percent over the previous year.

It has been learned that the number of share-holding enterprises in China reached some 3,700, and of them, 400 were approved and established in 1992. As of now,

69 enterprises have stocks listed in Shanghai and Shenzhen. As of the end of last year, some 10,000 enterprises were merged nationwide. From January to October 1992, people's courts at all levels accepted and heard 346 enterprise bankruptcy cases, 104 of which involved state-owned enterprises. Forty-five bankruptcies of state-owned enterprises were among the 146 cases that were concluded.

NPC Develops Ties With Foreign Counterparts

OW2202114793 Beijing XINHUA Domestic Service in Chinese 2103 GMT 21 Feb 93

[By reporter Zhang Yinshu (1728 6892 5002)]

[Text] Beijing, 21 Feb (XINHUA)—The Seventh National People's Congress [NPC] and its Standing Committee have been actively developing liaison and contacts with the parliaments of countries and international parliamentary organizations. So far, NPC has established ties with parliaments of more than 120 countries and regions.

During the five-year term of the Seventh NPC, Wan Li, chairman of the NPC Standing Committee, visited six North American and Asian countries; 33 NPC Standing Committee delegations visited 71 countries and international organizations; and 25 delegations from the NPC Standing Committee attended international conferences. The NPC Standing Committee also received 123 delegations from 106 countries and international organizations. NPC special committees have also carried out exchanges with related committees under the parliaments of foreign countries.

During these frequent international activities, conducted in all forms and at all levels, NPC personnel and the NPC standing committee briefed foreign parliaments and people from all circles concerning China's people's congress system, the system of multiparty cooperation and political consultations under the CPC leadership, and the situation of China's democratic and legislative development, as well as the successes and experiences China has achieved and gained in reform, opening up, and economic construction. In return, they have also gained some useful experiences which foreign parliaments have gained in legislation and other areas.

The Seventh NPC has established and developed close relations with parliaments from Third World countries, especially those neighboring China, and has also gradually reestablished friendly ties with the parliaments of western countries. At the invitation of relevant NPC committees, delegations of two committees under the U.S. Congress visited China last year. The NPC established friendly ties with the parliaments of the CIS and some countries in Eastern Europe and along the Baltic Sea, by promoting contacts with them at all levels. The NPC's contacts with parliaments of foreign countries have played a positive role in promoting people-to-people understandings and friendships, as well as in developing interstate relations.

In light of the new trends in the development of the world situation, the Seventh NPC has also strengthened liaison with international and regional parliamentary organizations, taken active part in international affairs, and joined parliamentarians in other countries in contributing to world peace and development.

Li Peng Discusses Draft Work Report

OW2002131893 Beijing XINHUA in English 1307 GMT 20 Feb 93

[Text] Beijing, February 20 (XINHUA)—Chinese Premier Li Peng today attended a forum of educationists from Beijing and Tianjin to hear their opinions on the draft of the government work report.

Li said that the other day the State Council held a forum of leaders from the All-China Federation of Industry and Commerce, non-communist parties and public figures without party affiliations and they put forward some very good suggestions for revision of the report, which will be delivered at the Eighth National People's Congress to be convened next month.

The premier invited views of educationists on the report which is still under draft.

The specialists, scholars and teachers at the forum were from Beijing, Qinghua and Nankai Universities, People's University of China, Beijing Normal University, Beijing Medical Sciences University, Beijing University of Aeronautics and Astronautics, Beijing Agricultural University, Beijing Forestry University, Beijing University of Science and Engineering, Beijing Fourth Secondary School, Beijing No.1 Experimental Elementary School, Tianjin No.1 Secondary School, Beijing Applied Fine Art School, The Beijing Changping Agricultural Vocational School and the Beijing City Higher Learning Bureau.

Those attending gave their opinions on the important position of education, educational principles, increasing education funds, construction of faculties, the implementation of compulsory education law, improvements to school conditions and policies on students studying abroad.

They basically agreed with the comments recorded on education in the draft government work report. At the same time they raised some issues on the collection of education funds and mobilizing various sectors in society to run schools. They also suggested the report be amended to emphasize basic education.

Li Peng said inspirations can be drawn from the suggestions and the report will be revised according to the opinions expressed at the forum.

State Councillor Li Tieying attended the forum.

Preview of Upcoming Elections to NPC, CPPCC

*OW2102033093 Beijing XINHUA in English
0315 GMT 21 Feb 93*

[Text] Beijing, February 21 (XINHUA)—The leadership of China, as it moves towards the close of the century, will be decided this year in elections for people's congresses, with the likelihood of some fresh and younger faces in government.

At local government levels, the elections are nearing completion. Encouragingly, many young people have been selected to lead—like 36-year-old Duan Qiang, a new vice-mayor of Beijing, the youngest to hold the job.

There are five levels of administration in China's system of congressional government—at the township and county level, each elective term lasts for three years, while for city, provincial and national bodies, the term is five years—and it takes 15 years to complete the turnover.

The significance of this year's elections is that all bodies are up for change in a country that is accelerating its pace of reform and is establishing a market-controlled economy.

At the highest level, 2,977 deputies to the Eighth National People's Congress (NPC), China's legislature, were recently elected. Included are 13 deputies representing the 34,000 Taiwanese living on the Chinese mainland.

The new NPC deputies, who will attend the annual full session in March in Beijing, also include a much higher proportion than previously of representatives of enterprises and intellectuals. Their presence sounds a clear note that the Chinese people are pinning high hopes on educated and capable people who can help improve living standards.

It is no easy task for China, where almost one-third of the 1.17 billion population is illiterate, to conduct such a massive round of elections. Now that more and more people are paying closer attention to the election of people's deputies, they have begun to exercise their legal rights in nominating candidates for public office.

China's electoral law for local people's congresses provides that the voters in township and county level elections are entitled to recommend their own candidates, who enjoy the same rights as those nominated by political parties and people's organizations.

China initiated direct elections at the township and county level in 1979, which marked an important reform of the country's electoral system.

Results in elections of township and county people's congresses, which ended last September, show that candidates recommended by voters now account for 90 per

cent of the deputies elected. In contrast, many candidates recommended by political parties and people's organizations were eliminated through open competition.

Dai Shangfu, 40, who lives in the suburbs of Ningbo city, in eastern Zhejiang Province, a fairly prosperous area, says that he only votes for those candidates who have done good things for the people. Dai and 30 other voters recommended two directors of well-managed township enterprises as candidates to the local people's congress of his hometown last September.

Even in comparatively backward places like Anhui Province, deputies to the local people's congress are no longer content with just "attending meetings and raising hands" in voting. At the latest session of a city-level people's congress, the mayor had hardly finished his report on the work of the city government when a woman deputy rose to challenge him, saying: "Everything sounds so nice in your report, but why have so many enterprises in our city closed down and the workers cannot receive their regular pay?"

Such "harsh" questioning used to be rare in China.

The NPC session in March in Beijing may mark the climax in the present round of elections, when the new NPC Standing Committee, the State Council and its ministries, the Central Military Commission, the Supreme People's Court and Procuratorate will be elected. And quite a number of young people are expected to step into the country's highest leading bodies.

The NPC Standing Committee, which has more than 150 chairman, vice chairmen and members, and the seven NPC special committees that have more than 160 members will also introduce a large number of younger faces.

The Chinese People's Political Consultative Conference, a patriotic United Front organization led by the Chinese Communist Party, will also elect its new national committee next month.

Perfect as it is, China's current round of elections will not only inject a good deal of "new blood" into its political set-up, but will also provide an excellent practice ground for the country's construction of a socialist democracy.

CPPCC Standing Committee Meeting Closes

*Ye Xuanning Chairs Meeting
OW1902150893 Beijing XINHUA in English
1408 GMT 19 Feb 93*

[Text] Beijing, February 19 (XINHUA)—The 22nd meeting of the Standing Committee of the Seventh National Committee of the Chinese People's Political Consultative Conference (CPPCC) closed here today

after approving a name list of the members of the CPPCC Eighth National Committee.

New CPPCC National Committee members include Li Ruihuan, member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China (CPC), and Vice-Premier Wu Xueqian.

The list of 2,093 representatives to the CPPCC's Eighth National committee was worked out following consultations between the CPC Central Committee and the various parties and circles.

Of the 2,093 members, 1,040 had been members of the Seventh National Committee of the CPPCC and 1,053 are new ones.

Among the members of the Eighth National Committee of the CPPCC are experienced leading officials including over 300 provincial and ministerial leaders, leaders of non-communist parties and the All-China Federation of Industry and Commerce, representatives of nationalities affairs and religious circles and 241 members representing China's 55 ethnic minority nationalities.

The Eighth National Committee includes 82 members from economic circles. It has also increased representation from Hong Kong, from 57 to 79 members, and from Macao, from seven to 19.

The meeting also approved the work report of the Seventh National Committee of the CPPCC to the first session of the CPPCC Eighth National Committee and the report on proposals raised by CPPCC members.

At the four-day meeting, members of the Standing Committee of the Seventh National Committee of the CPPCC also discussed the draft government work report to be submitted to the first session of the Eighth National People's Congress, which will open on March 15th.

Ye Xuanping, vice-chairman of the Seventh National Committee of the CPPCC, presided over the meeting today.

8th CPPCC National Committee Members Namelist

OW2202113093 Beijing XINHUA Domestic Service in Chinese 0059 GMT 20 Feb 93

[Excerpts] Beijing, 20 Feb (XINHUA)—Namelist of members of the Eighth National Committee of the Chinese People's Political Consultative Conference [CPPCC]

(A total of 2,093 members, adopted by the 22d meeting of the Standing Committee of the Seventh CPPCC National Committee on 19 February 1993)

The CPC (91 members)

Yu Hongliang, Ma Yingjie, Wang Daming, Wang Zhaoguo, Wang Fuzhi, Wang Yanchang, Wang Huide, Wang

Lizhi, Yun Shiying (Mongol), Ba Dai (Mongol), Batu Bagen (Mongol), Long Zhiyi (Yi), Ye Xuanping, Shi Junjie, Feng Jinwen, Xing Yongning, Xing Chongzhi, Zhu Shanting, Hua Liankui, Doje Cedain (Tibetan), Liu Zheng, Liu Feng, Liu Yunzhao, Liu Yandong (female), Liu Shuqing, Liu Guofan, Liu Shusheng (Hui), Liu Jinfeng, Liu Haiqing, Jiang Ping, Sun Han, Li Yan, Li Ziqi, Li Wenshan, Li Zewang, Li Zhishi, Li Menghua, Li Luye, Li Ruihuan, Yang Di, Yang Yongbin, Yang Rudai, Yang Yingbin, Yang Jingren (Hui), Wu Xueqian, He Dongchang, Zou Shiyuan, Song Demin, Zhang Quanjing, Lu Maozeng, Chen Dazhi, Chen Huiguang, Wu Lianyuan (Hui), Lin Zhun, Ji Guobiao, Jin Jian (Manchu), Zhou Wenhua, Zhou Shaozheng, Zheng Keyang, Zhao Xianshun, Hu Sheng, Niu Maosheng (Manchu), Yu Lei, Jiang Xiesheng, Hong Xuezhi, Yao Wenxu, He Jingzhi, Yuan Mu, Nie Ronggui, Janabil (Kazak), Qian Zhengying (female), Xu Chonghua, Xu Weicheng, Gao Di, Cao Keqiang, Gong Yuzhi, Liang Buting, Jiang Minkuan, Jiang Guanghua, Jiang Zhenyun, Han Shuying, Han Peixin, Cheng Lianchang, Jiao Liren, Wen Yezhan, Xie Hua, Xie Xide (female), Lian Zhong, Sai Feng, Seypidin Aze (Uyghur), and Ji Shaokai.

The Revolutionary Committee of the Chinese Kuomintang (65 members) [passage omitted]

The China Democratic League (65 members) [passage omitted]

The China Democratic National Construction Association (65 members) [passage omitted]

Nonparty democratic personages (53 members) [passage omitted]

The China Association for Promoting Democracy (35 members) [passage omitted]

The Chinese Peasants' and Workers' Democratic Party (35 members) [passage omitted]

The China Zhi Gong Dang (20 members) [passage omitted]

The Jiusan Society (35 members) [passage omitted]

The Taiwan Democratic Self-Government League (20 member) [passage omitted]

The Chinese Communist Youth League (12 members) [passage omitted]

The All-China Federation of Trade Unions (53 members) [passage omitted]

The All-China Women's Federation (72 members) [passage omitted]

The All-China Youth Federation (16 members) [passage omitted]

The All-China Federation of Industry and Commerce (60 members) [passage omitted]

The China Association for Science and Technology (44 members) [passage omitted]

The All-China Federation of Taiwan Compatriots (20 members) [passage omitted]

Cultural and art circles (145 members) [passage omitted]

Scientific and technological circles (186 members) [passage omitted]

Social science circles (45 members) [passage omitted]

Economic circles (82 members) [passage omitted]

Agriculture and forestry circles (69 members) [passage omitted]

Education circles (116 members) [passage omitted]

Sports circles (21 members) [passage omitted]

Press and publications circles (30 members) [passage omitted]

Medical and public health circles (95 members) [passage omitted]

Organizations for promoting friendly relations with foreign countries (24 members) [passage omitted]

Social welfare organizations (21 members) [passage omitted]

People of minority nationalities (100 members) [passage omitted]

The All-China Federation of Returned Overseas Chinese (25 members) [passage omitted]

Compatriots in Hong Kong (79 members) [passage omitted]

Compatriots in Macao (19 members) [passage omitted]

The religious circles (58 members) [passage omitted]

Specially invited personages (217 members) [passage omitted]

Li Ruihuan, Yuan Mu, Wang Meng Elected
OW2002033093 Beijing XINHUA Domestic Service in Chinese 1035 GMT 19 Feb 93

[By reporter Zou Aiguo (6760 1947 0948) Sun Yong (1327 0516)]

[Text] Beijing, 19 February (XINHUA)—Looking over the newly approved namelist of the members of the Eighth National Committee of the Chinese People's Political Consultative Conference [CPPCC], the reporters noticed that many of them are freshmen of the CPPCC. Statistics from an authoritative department show that among the 2,093 members, 1,053 are newcomers, accounting for 50.3 percent of the total.

Leading comrades on the list representing CPC circles are Li Ruihuan, member of the CPC Central Committee Political Bureau Standing Committee; Wu Xueqian and Yang Rudai, former members of the CPC Central Committee Political Bureau; and Seypidin Aze, vice chairman of the National People's Congress [NPC] Standing Committee. Also on the list are Wang Zhaoguo, head of the CPC Central Committee United Front Work Department; Yuan Mu, director of the State Council Research Office; and other officials of relevant departments.

Economic circles of the Eighth National Committee, a new addition, have 82 members, and most of them are new. Among them are leading comrades who have been engaging in economic work for a long time: Gao Shangquan, Vice Minister of the State Economic Restructuring Commission; Zhao Weichen, deputy director of the Economic and Trade Office of the State Council, and Rui Xingwen, vice minister of the State Planning Commission; professionals and scholars specializing in economic issues, such as Ma Zupeng, Fang Weizhong, and Liu Bao; and a number of directors and managers of industrial and mining enterprises.

A new member from the nationality circle is Ngapoi Ngawang Jigme, vice chairman of the Standing Committee of the NPC. Now, all of China's 56 ethnic groups have deputies to the CPPCC National Committee. This is a new breakthrough in the history of the CPPCC.

New members from literary and art circles are well-known to the people. Among them are writers Wang Meng, Deng Youmei, and Jia Pingao; actors Wang Tiecheng, Jiang Wen, Gong Li, Zhao Youliang; vocalist Peng Liyuan, and television host Chen Duo.

Nine of the 16 members from the All-China Youth Federation [ACYF] are new. On the list are comic dialogue performer Jiang Kun, composer Chen Xiaoguang, program host Li Yang, quick math expert Shi Fengshou. Newcomers from the ACYF include Yang Wenyi and others.

Many of the members from athletic circles are newcomers, including noted chess player Ma Xiaochun, sharpshooter Wang Yifu, and national teams coaches Zhang Xiulin, and Chen Yunpeng, table tennis player Deng Yaping and gymnast Li Xiaoshuang, both of them were born in 1973. They are the youngest among the 2,000 committee members.

Among members from Hong Kong and Macao, Henry Ying Tung Fok and Ma Man Kei, former members of the CPPCC National Committee Standing Committee, have returned to the CPPCC from the NPC. A more eye-catching development is that Henry Ying Tung Fok and his son Huo Zhenting [7202 7201 7200] and Ma Man Kei and his son Ma Youli [7456 2589 4409] are all members of the Eighth National Committee of the CPPCC and they all are from the same circle.

New Heads of XINHUA, RENMIN RIBAO Appointed

HK2002075193 Beijing ZHONGGUO XINWEN SHE in English 0618 CMT 20 Feb 93

[Text] Beijing, February 20 (CNS)—The appointment of new heads for two big authoritative news organs, namely the New China News Agency and the "People's Daily" has been announced. The top post of Director of RENMIN RIBAO is Shao Huaze, aged 59, who took over from Mr. Gao Di. The new Director of the New China News Agency is Mr. Guo Chaoren, aged 58, who has replaced Mr. Mu Qing, aged 71.

Mr. Guo Chaoren, who is the news agency's 18th director, has had 36 years' newspaper experience. A graduate of the Chinese Literature Department of Beijing University in 1956, he became a reporter for the Tibet Branch of the New China News Agency. During his 14 years in Tibet, he took part in the Democratic Reform Movement there and covered stories on the first successful climb by Chinese mountaineers of Mt. Qomolangma (Mt. Everest). He also covered the trials of Lin Biao and the Gang of Four.

In 1983, Mr. Guo Chaoren assumed office as Secretary-General of the New China News Agency moving up from Deputy Director of its Sichuan Branch. From 1984, he was Vice Director of the New China News Agency. He was a member of the 13th Central Committee of the Communist Party of China and is a member of the present 14th Central Committee of the CPC.

Mr. Shao Huaze, who joined the PLA [People's Liberation Army] 41 years ago, was a postgraduate of the Philosophy Department of the People's University, after which he became a news reporter. He later was a commentator, theoretical editor and deputy editor-in-chief of the "Liberation Army Daily". In 1985, Shao Huaze became Vice Director of the "Liberation Army Daily" and four years later he became head of the Propaganda Department of the General Political Department of the Chinese People's Liberation Army.

Mr. Shao Huaze is from Chun'an, Zhejiang Province. He was a deputy to the 13th National Party Congress and is a member of the 14th Central Committee of the CPC.

Article on 'New Setup' of Democratic Parties

HK2202031793 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 6, 8 Feb 93 pp 3-5

[Article by Jing Huai (2529 2037): "New Setup of Democratic Parties in China"]

[Text] From November to December 1992, the eight democratic parties in China convened new congress sessions, which attracted wide attention in China and abroad. The eight democratic parties not only elected members of their new central leaderships and set future tasks, but also amended their constitutions to further define their historical position and mission as parties

participating in governmental affairs, and to fully embody the new aspect and pattern of democratic parties in China which has been taking shape since reform and opening up was started.

Reinforcing the Political Party Nature

At the eight democratic parties' congresses, an eye-catching item on the agenda was precisely the amending of their party constitutions. The amended constitutions of all the democratic parties further defined their political party nature and added a clause stating that the democratic parties are participating in governmental affairs in close cooperation with the CPC.

The CPC is the ruling party, whereas all the democratic parties are parties participating in governmental affairs, and this is the democratic political pattern which has gradually taken shape since the founding of New China. This democratic political pattern is, after being tested in practice, in line with China's conditions and has been further consolidated and developed since the Third Plenary Session of the 11th CPC Central Committee. At the end of 1989, the CPC Central Committee issued "Opinions on Upholding and Perfecting the CPC-Led Multiparty Cooperation and the Political Consultative System," thus further perfecting theoretically this democratic political pattern. However, the political party nature of all the democratic parties, that is, as parties participating in governmental affairs, had not been stipulated in their constitutions.

All the democratic parties have made new revisions to their political programs in their constitutions, and their basic content is: at the initial stage of socialism, holding high the banner of socialism and patriotism; adhering to the theory of building socialism with Chinese characteristics; unswervingly following the basic line of "upholding the four cardinal principles and upholding reform and opening up with economic construction at the core"; mobilizing their respective members; uniting with figures in contact with all the democratic parties; bringing into play their own superiority; fulfilling political parties' obligations; facilitating our motherland's unification; and fighting for the goal of developing China into a prosperous and powerful, democratic, civilized, and modernized socialist country.

Regarding the content of participating in governmental affairs which illustrates their political party nature, democratic parties have fully elaborated it in their amended constitutions. The major content is: participating in state power; participating in the administration of state affairs; participating in the consultation on major state policies and on the choice of state leaders; and participating in the work of formulating and of executing general and specific state policies, the law, and laws and regulations.

Fruitful Results in Participating in Governmental Affairs and Engaging in Political Consultation

All the democratic parties, as parties participating in governmental affairs, have achieved fruitful results in the work of participating in governmental affairs and engaging in political consultation since reform and opening up was started. Without referring to examples from too long ago, in just over three years since the Fourth Plenary Session of the 13th CPC Central Committee, all the democratic parties have participated in more than 50 meetings convened by the CPC Central Committee intended to seek their opinions on state affairs and to issue circulars on the situation.

As far as the real work is concerned, all the democratic parties vigorously participate in the consultation on state affairs, and make suggestions to the CPC Central Committee and the State Council on political, economic, and cultural issues related to the state; for instance: the Revolutionary Committee of the Chinese Kuomintang [KMT]'s "Opinions on How To Vigorously Exploit Coal Resources To Overcome the Energy Crisis," the China Democratic League's "Tentative Plan on Setting Up Development Zones in the West, Reestablishing the Silk Road in the South, and Opening Up the Great Southwest," the China Democratic National Construction Association's "Proposal Concerning Solving Several Current Problems of Large and Medium Enterprises Owned by the People," and the Taiwan Democratic Self-Government League's "Proposal for Setting up the Office of Taiwan Affairs in the State Council" and its "Proposal for Establishing an Intermediary Organization for Nongovernmental Exchanges Between the Two Sides of the Strait." The CPC Central Committee and the state have attached great importance to, assimilated, and accepted all these suggestions.

In recent years, more and more members of the democratic parties have taken up leading posts in organizations of state power. According to incomplete statistics, at present, four democratic party members are vice chairmen of the Seventh National People's Congress Standing Committee; 15 are vice chairmen of the Chinese People's Political Consultative Conference [CPPCC] National Committee; 16 are senior officials working in State Council ministries, commissions, offices, and bureaus; and a democratic party figure in the Supreme People's Procuratorate and another in the Supreme People's Court are in senior judicial posts.

The following figures are even more noticeable:

The Revolutionary Committee of the Chinese KMT: More than 3,000 party members are working in state organizations at various levels and acting as deputies to people's congresses and members of the CPPCC at various levels;

The China Democratic League: A total of 9,466 league members are acting as deputies to people's congresses and as members of the CPPCC at various levels;

The China Democratic National Construction Association: A total of 128 members have taken up government posts above the county level;

The China Association for Promoting Democracy: A total of 4,398 members are acting as deputies to people's congresses and as members of the CPPCC at various levels;

The Chinese Peasants and Workers' Democratic Party: A total of 5,568 members are acting as deputies to people's congresses and as members of the CPPCC at various levels, and 103 members are in leading government posts at various levels;

The China Zhi Gong Dang [Party for Public Interests]: A total of 2,192 members are acting as deputies to people's congresses and as members of the CPPCC at various levels, and 100 members are in leading posts in government and judicial departments at various levels;

The Jiusan [September 3] Society: Six members are acting as senior cadres at the provincial and ministerial levels, and 57 members are in leading posts in governmental organizations at the office, bureau, and city levels;

In addition, a number of democratic party members are also acting as specially invited supervisors, procurators, auditors, and educational superintendents "of the State Council, of the Supreme People's Court, and of the Supreme People's Procuratorate," thus giving play to the function of democratic supervision "over the State Council, over the Supreme People's Court, and over the Supreme People's Procuratorate."

This is not simply a set of figures. It fully indicates that the role of various democratic parties in participating in governmental affairs and engaging in political consultation has been reflected not only in the decisionmaking process but also in practical work.

Encouraging Progress in Party Construction

Over the past few years, the eight democratic parties, as parties participating in governmental affairs, were very active in the political arena in China, and their party construction made encouraging progress.

From 1988, after new sessions of the eight democratic parties were elected, to the first half of last year, all the democratic parties followed the organizational principle of combining "consolidation with development," and the number of party members grew in varying degrees. Up to the first half of last year, the membership of the eight democratic parties came close to 360,000. Among them, the Revolutionary Committee of the Chinese KMT had more than 42,000 members, registering an increase of more than 5,000 members over 1988; the China Democratic League had 105,000 members; the China Democratic National Construction Association had more than 53,500 members, registering an increase of more than 13,300 members over 1988; the China

Association for Promoting Democracy had 49,100 members; the Chinese Peasants and Workers' Democratic Party had more than 48,000 members, registering an increase of 14,300 members over 1988; the Zhi Gong Dang had 11,280 members; the Jiusan Society had more than 48,700 members, registering an increase of more than 12,000 members over 1988; and the Taiwan Democratic Self-Government League had 1,280 members. Some people have said that the CPC places restrictions on the development of democratic parties, and these figures are the most powerful rebuttal.

Recruiting new members is an important step in the construction of the democratic parties. However, as far as the construction of the democratic parties over the past few years was concerned, an even more important task was to further intensify the quality construction of leading groups and of members.

During the elections of new sessions of the democratic parties last year, all the democratic parties vigorously and safely carried out the work of replacing old leaders with new ones. The average age of members of central leading organs returned by new elections fell drastically, and a number of members who are in their prime and who have both ability and political integrity took up leading posts. It is understood that new members in the new provincial committees of the Revolutionary Committee of the Chinese KMT accounted for 34.7 percent; new members in the provincial leading groups of the China Democratic League accounted for 35.3 percent; and newly elected provincial committee members of the Jiusan Society accounted for 30 percent of the total.

To improve the capability for participating in governmental affairs and for engaging in political consultation, all the democratic parties have strengthened the work of training and educating cadres and party members, organized vast numbers of party members to conscientiously study Deng Xiaoping's theory of building socialism with Chinese characteristics, and combined their own construction with giving play to their party functions, thus facilitating great improvement in members' political and professional quality. According to statistics compiled by the Central Committee of the China Democratic National Construction Association, over the past few years a total of 14,966 members of the association have been commended in various forms, and among them 279 members have received state-level honorary titles.

Grave Responsibilities for Multiparty Cooperation

"Long-term coexistence, mutual supervision, showing utter devotion to each other, and sharing honor and disgrace" is the principle consistently upheld in the system of CPC-led multiparty cooperation and political consultation. Congresses convened by all the democratic parties reiterated the necessity of implementing this policy to closely cooperate with the CPC and to strive to open up a new aspect of giving play to the function of serving as parties participating in governmental affairs and to their own construction.

Over the past few years, all the democratic parties have further strengthened their role in participating in governmental affairs, in engaging in political consultation, in democratic supervision, and in their own construction. It should be pointed out that all the democratic parties in China still have some problems not geared to the real situation, such as that members tend to be old, the enthusiasm of some of their grass-roots members has not been aroused, the work system between the central and local committees and between local committees and the grass roots is yet to be further perfected, and so on. To fully bring into play the function of the system of CPC-led multiparty cooperation and of political consultation, they must unswervingly do well in their own construction and solve these problems. At the congresses convened late last year, all of the eight democratic parties set forth the clear objectives of future work. In sum, the following several aspects were roughly outlined:

—Conscientiously studying and implementing the theory of building socialism with Chinese characteristics, adhering to the basic line of "one center, two basic points," giving impetus to the establishment of socialist market economy, bringing into play the superiority of the democratic parties, and expediting the pace of reform, opening up, and economic construction;

—Strengthening the democratic parties' awareness of participating in governmental affairs, perfecting the mechanism of allowing them to play a part in governmental affairs, bringing into play their practical and effective role in participating in governmental affairs, in engaging in political consultation, and in democratic supervision, and giving impetus to the construction of socialist democratic politics;

—Offering advice and exerting efforts to put into effect the principle of "peaceful unification and one country, two systems," helping the government accomplish the work of fulfilling the smooth transition of Hong Kong and Macao, and contributing themselves to promoting the long-term stability and prosperity of Hong Kong and Macao; vigorously promoting the "three communications" between the two sides of the strait, accelerating economic and other kinds of cooperation and exchange between the two sides of the strait, and realizing talks between the KMT and the CPC to try to realize peaceful unification of the motherland as soon as possible;

—Enhancing the construction of leading groups, improving party members' political and professional quality, giving impetus to cooperation between old and new members and to replacing old members with new ones, and building up a key contingent of cadres straddling the centuries which is geared to the needs of the new situation.

Science & Technology

Official Urges Faster S&T Development

OW2202101393 Beijing XINHUA in English
0758 GMT 22 Feb 93

[Text] Beijing, February 22 (XINHUA)—A high-ranking official urged Chinese scientists to have a sense of urgency and responsibility in developing science and technology in China as the country faces keen international competition and the heavy tasks of modernization.

Addressing a national meeting of the Chinese Association of Science and Technology, Wen Jiabao, alternate member of the Political Bureau of the Chinese Communist Party Central Committee, said that the current domestic and international situation has provided rare opportunities for the development of the Chinese nation and "we must seize the opportune moment to speed up development."

Wen, who is also the secretary of the secretariat of the CPC Central Committee, told Chinese scientists to speed up the development of science and technology which, he said, is the key to a high speed growth of the national economy and speedier modernization in a large country like China.

He urged governments at all levels to seek advice from scientists and research institutions when taking policy decisions concerning social and economic development. "A scientific feasibility study must be made before any major construction project starts," he stressed.

Wen also called the attention to basic research, which, he said, "is the pioneer and source for the application and development of science and technology and it will have a vital bearing on the invigoration of science and technology and economy and social development."

He encouraged Chinese scientists in basic research to make a breakthrough in some major areas, subjects of strategic importance and key technology.

Aerospace Ministry Hires Experts as Advisers

OW1902132593 Beijing XINHUA Domestic Service in Chinese 0331 GMT 19 Feb 93

[By reporter Cao Zhi (2580 2535)]

[Text] Beijing, 19 Feb (XINHUA)—The Ministry of Aerospace Industry recently took an important step to improve and reinforce the quality control systems of its departments by appointing Qian Weisong, Bai Fengzhu, and 27 other veteran experts to be ministerial-level advisers to examine those systems.

Presenting the appointment certificates to the experts, Wang Liheng, vice minister of aerospace industry, said: We have learned from experience and lessons during the development of aerospace industry that quality is the life

of aerospace industry, and all offices and units under the ministry must give the advisers the support they need so that they can do their job effectively.

The comrades appointed to be quality examination advisers are all experienced experts and scholars known for their high sense of responsibility and their prestige in departments under the ministry. When requested or authorized by the ministry or other competent authorities, they will examine the establishment and operation of some units' quality control systems and the development and production of aerospace products and major civilian goods, and determine whether they need to be corrected and improved. They will also be responsible for assisting, guiding, and supervising the quality control systems of these units.

New Nuclear Detection Instrument Developed

HK2202033193 Beijing ZHONGGUO XINWEN SHE in Chinese 1500 GMT 14 Feb 93

[By correspondent Jiang Faqi (1203 4099 6386)]

[Text] Lanzhou, 14 February (ZHONGGUO XINWEN SHE)—The Shijiazhuang Radiation Technology Development Center under No. 404 Plant of the China Nuclear Industry Corporation has developed serial intellectualized no-contact industrial monitoring and detection instruments that use nuclear radiation detectors as sensors, thus pushing China's peaceful nuclear technology utilization onto a new stage and increasing China's industrial monitoring, detection, and measurement accuracy by a large margin.

China's industrial monitoring and detection instruments have used contact sensors for many years. The instruments soon stop functioning or go out of order due to direct contact between the sensors and the materials concerned. This has become a major problem plaguing the industrial production control process. Since the new monitoring and detection instrument has integrated radiation technology with electronic technology, its sensor will have no direct contact with the material being monitored and detected, thus making no-contact monitoring, detection, and measurement possible for the first time, putting an end to the problem of inaccurate measurement, increasing industrial monitoring and detection accuracy, and raising standard of production control automation.

The new nuclear instrument can be used for intellectualized data processing by microcomputers, thus increasing calculation capacity by a large margin. It can also be installed in nucleon belt balances, quality flowmeters [liu liang ji 3177 6852 6060], densimeters [mi du ji 1378 1653 6060], surface meters [jie mian ji 3954 7240 6060], liquidometers [ye wei ji 3210 0143 6060], and other types of monitoring and detection instruments. It can be used for both continuous on-line monitoring and detection of as well as automatic control of such parameters as weight, quality, consistency, density, surface,

liquid level, and so on. It functions particularly well under poisonous, high-temperature, high-pressure, and other bad conditions.

It was learned that the core instrument of the aforementioned serial instruments has been accepted as the state-level new product by five state ministries and commissions, including the State Science and Technology Commission. For instance, the intellectualized scintillation nucleon belt balance has been designated as one of the state-level projects listed in the Torch Program and as one of the new hi-tech projects the state will try to popularize.

Military

Military Commission Stresses Combat Readiness

OW2202093493 Tokyo KYODO in English 0910 GMT 22 Feb 93

[Text] Beijing, Feb. 22 KYODO—China's Central Military Commission has issued instructions to the armed forces to step up military exercises to intensify combat readiness, an official newspaper reported Monday.

"We must strengthen and improve military exercises in view of the nature of modern warfare," the People's Liberation Army Daily [JIEFANGJUN BAO] said, quoting unnamed military leaders.

In a lengthy front-page editorial, the paper said the People's Liberation Army (PLA) can only become a potent fighting force if China modernizes outmoded weapons systems.

"When compared with certain developed nations, our military equipment is still somewhat inferior and this is unlikely to change in the short term," the paper said.

While acknowledging that Chinese weapons technology remains backward when compared with advanced countries, the paper said gradual improvements are being made in this field too.

In recent months, China has acquired advanced fighter aircraft and top-range battle tanks from Russia.

China can also help offset the technology gap by improving battle tactics through military exercises, the editorial said. "Since we possess inferior weaponry, we must display confidence and bravery in order to defeat our well-armed enemy," it said.

The PLA daily said that prevailing global tensions make it imperative for China to maintain a strong military.

"The international situation is still turbulent, the world is not at peace," it said. "The reality of the situation demands all-round improvements in our fighting capabilities to suit modern conditions."

"Our objective is clear, our task is arduous. We can certainly forge an excellent army and improve our battle capabilities to a new level," it said.

Air Force Increases International Exchanges

OW2002015593 Beijing XINHUA Domestic Service in Chinese 0512 GMT 19 Feb 93

[By correspondent Hang Wai (5300 1120) reporter Qi Hanxiao (7871 0698 4562)]

[Text] Beijing, 19 Feb (XINHUA)—China's Air Force is expanding its contacts with the outside world. The largest number of Air Force personnel visited foreign countries in 1992—more than 1,000 personnel in some 200 visiting groups.

According to the responsible person of an Air Force department concerned, the people's Air Force has increased its international exchanges; delegations and visiting groups, composed of both high-ranking commanding officers as well as pilots, engineers, scientists and technicians, have visited 21 countries in the last 10 years. Their visits included courtesy calls and study tours. They have displayed the Chinese Air Force's elegant bearing. Chinese Air Force aviation medicine and aircraft maintenance experts have lectured at various international forums. Some Air Force personnel have attended foreign flight schools. Commanding officers and pilots have visited foreign air bases and exchanged experience in various fields with foreign counterparts. The Air Force Maintenance Department has established trade relations with more than 30 countries and regions, with 1992 trade volume exceeding \$8 million. It has timely obtained new technology and new information from abroad, and imported some advanced instruments and equipment for aircraft maintenance. In recent years, the Chinese Air Force dispatched two air rescue teams to Bangladesh, one during a flood and the other after a storm.

While visiting foreign countries, the Chinese Air Force is opening itself up to the outside world. Over the last 10 years, it has received more than 100 Air Force delegations and visiting groups from some 40 countries. Among those foreign visitors were 38 Air Force commanders and chiefs of staff.

The international exchanges have promoted the modernization of our Air Force and provided it with many useful experiences in training system reform, weaponry and equipment development, formulation of strategy and tactics, scientific research, and the improvement of Air Force schools.

'Newsletter' on PLA's Improved Performance

OW1902120293 Beijing XINHUA Domestic Service in Chinese 0455 GMT 15 Feb 93

[("Newsletter" by XINHUA reporters Jia Yong (6328 3057) and Ma Xiaochun (7456 0879 2504)]

[Text] Beijing, 15 Feb (XINHUA)—While adhering to the theory of Comrade Deng Xiaoping on Army building during the new era, and abiding by the general demand set out by Comrade Jiang Zemin to become "qualified in politics, skilled in military affairs, superb in work style, strict and impartial in discipline, and forceful in security," the People's Liberation Army [PLA] has been pressing more quickly ahead, along the road of elite troops with Chinese characteristics, to improve its quality, and good momentum has emerged.

The Three Services Are Further Integrated

Seven years ago, the Chinese Army underwent a large-scale reorganization to streamline its forces. Since then, the original unitary Army family has "increased its siblings" and the degree of integration has been enhanced. Special armed branches, such as the artillery corps, engineer corps, armored corps, signal corps, antichemical warfare units, electronics countermeasures units, and strategic missile forces, presently compose 70 percent of the Army.

Two advancements made by a mechanized army in northern China is an epitome of the progress in the Chinese Army.

Beginning with the "modernization of the legs," motorization has replaced the "iron feet" and marked this army's first advancement. Within a few years, armored vehicles and armed helicopters have added armor and wings to this unit. The strengthening of the new family members in the Army is the other advancement achieved by this unit—ground and antiaircraft artillery, aircraft, guided missiles, radar, tanks, and armored vehicles. This army is a modern combined force with triphibious combat capability.

Today, combined exercises of different forms, triphibious exercises to repel landings, and naval exercises and drills pertaining to supplies and rescue have lifted integration of the different armed branches to a higher level. The three services are operating in concert, and this has constantly enhanced the overall combat capability of our forces.

When Jiang Zemin ascended the rostrum of a training ground in the deep mountains of Yan Shan on 11 September 1991, appearing before him was a magnificent sight of the various armed branches fighting together in coordination. Airmen from the Army foreshadowed their opponents by showing off their strength. The airborne antitank missiles glistened as they rushed toward the edges of the position. Guided-missile armored vehicles assembled in formation and fired. The sound and smoke of gunfire filled the battlefield as the troops moved forward.

The Quality of Servicemen Improves Greatly

Forty years ago, after a storm brigade of the Chinese People's Volunteers inflicted heavy casualties on U.S. Forces at Shangganling, it vanished all together when the

designation for troops was changed. Westerners who are fond of making conjectures were very surprised. It was only several decades later when division commander Jing Xueqin led his troops in an exciting parachute jump exercise for the diplomatic corps that the U.S. military attache found out that the crack paratroops were their elite opponents at the battlefield back in those days. The military attache and Jing Xueqin conversed in a foreign language. The blue eyes of the military attache sparkled on learning that the division commander had attended military colleges after graduating from university. In his view, compared to the usual Army units and airborne troops, this quality change in the younger Chinese generals is more important.

In the historic adjustment presided over by Deng Xiaoping seven years ago, the average age of leaders in the military regions, services, and armed branches was reduced from 64.9 years to 56.7 years. Of the general officers, those in the Air Force could all fly, most in the Navy could operate naval vessels, and those in the Second Artillery could command the launching of missiles. Pressing along the road initiated by the chief architect, new changes have taken place in the quality of the People's Army. Another adjustment was made in the wake of the 14th CPC National Congress. The average age of leaders in major units has again been lowered, and their educational standard has risen. The structure has become more rational, and the overall quality has sharply improved. The latest statistics from relevant headquarters departments indicated that all services and armed branches now have personnel with masters or doctorate degrees, and over 50 percent of the officers in the services have attained educational standards at college level and above. The ratio of leaders at regiment level and above with high school and college education has reached 78.4 percent. The proportion of technical personnel in the Navy and strategic missile forces has attained or exceeded 50 percent. In the 14 years of reform, the PLA has formed the structure of primary, secondary, and tertiary education, and the Army schools have trained over 600,000 skilled personnel of all kinds.

The Chinese Navy's Equipment Attestation Center once organized a symposium for a private first class called Rong Jian who had written and disseminated a 220,000-character thesis. After that, he became an editor of the "Weaponry and Equipment of Foreign Navies" section in the prestigious *World Military Affairs Yearbook*.

It is good to know that there are many soldiers like Rong Jian in the services. Every regional war in the world—the Middle East war, the Falklands War, and the Gulf war—has become the hot spot of research, closely followed by the officers and men of our services.

Of course it is important to pay attention to the political quality of the officers and men, and it occupies an equally vital role in the buildup of our armed forces. In recent years, education in the fine traditions, such as "the party has absolute leadership over the Army," has been conducted throughout the Army so the Chinese

Army will always maintain the qualities of the old Red Army and remain loyal to the party, motherland, and people.

Moving Toward the Best Combination

The sun was shining and the banks of the Huang He in June were scorching. On top of the endless stretch of beach, only a group of withered soldiers were moving. The 40 soldiers had been shooting, charging, and fighting without food and water for six hours. On the first day, two collapsed; on the second day, another four. However, after a few days, the signs of heat prostration were no longer present in the 40 soldiers although they had become dark and thin, and their faces were covered with sand and sweat.

This was the scene gathered by the reporters at an airborne brigade's location. In the face of such tough training, the only choice left for the soldiers was to endure it. Whether in the past, present, or future, the best way to integrate humans with weapons is to study diligently and train hard. It is an effective method for enhancing combat strength. This not only requires science but also willpower.

In fact, the reason Major Zhu Siyou of the paratroops brought his men to such an environment was that he hoped to instill in them courage and willpower under all inconceivable difficulties. As a result, in the normal obstacle training, all obstacles and dangers that the men may encounter have been "simulated"—low walls, trenches, cliffs, minefields, fires, abatis, gunfire blockades, and snake-like barbed wire. It was a "monstrous zone" of dangers leading toward the battle. When the men arrived at Kunlun Shankou, which is 4,000 meters above sea level, the oxygen was only half of that at the "monstrous zone." But they remained composed as if they were at sea level, and they accurately fired all eight types of weapons supplied to the battalions and below.

Such examples are very common in the Air Force, Navy, Army troops. It is the eternal criterion of our army that hard training produces crack troops. In the past year, some 200,000 sharpshooters and technical experts have emerged in the services. Technology has helped boost the strength of the Chinese Army, and an indomitable will has forged a strong military spirit.

A senior officer in our army stated that willpower is also a combat strength, and there is no doubt that the best product from the superb combination of this indomitable will and advanced weaponry is a strong combat force.

PLA General Departments Command Audit Work

OW2002042693 Beijing XINHUA Domestic Service in Chinese 0412 GMT 13 Feb 93

[By reporter Guo Diancheng (6753 3013 2052)]

[Text] Beijing, 13 Feb (XINHUA)—Significant successes were scored in an all-army audit on final accounts on appropriations, revenues, and expenditures. The audit work was an important policy decision made by the Central Military Commission [CMC] to manage the army strictly and according to the law. Economic gains accumulated during the course of carrying out such work amounted to over 3.25 billion yuan. The auditing strengthened the whole army's concept of observing discipline, abiding by the law, and building the army through thrift and diligence. It also played a positive role in correcting decentralism, selfish departmentalism, and unhealthy tendencies in financial and economic management; and in promoting ideological construction and a good style of work among the army. The General Staff Department, the General Political Department, and the General Logistics Department of the People's Liberation Army [PLA] today held a joint meeting to commend 84 advanced units and 120 advanced individuals who had scored outstanding achievements in auditing final accounts and in financial management.

The all-army audit on the final accounts of appropriations, revenues, and expenditures, which began in February 1992, was the first all-army audit ever conducted by our army's auditing organ since its establishment. Self-auditing was conducted by all army units at or above the regiment-level. The PLA general departments sent work groups to recheck the auditing and conduct random auditing on 94 percent of units at the corps level or above; on operational divisions of the general departments, military regions, and military districts; and on 75 percent of divisional and regimental units. By the end of December last year, the whole army retrieved a total of 1.05 billion yuan of funds which should have been delivered to it; collected 1.04 billion yuan of loans and advance payments; balanced its accounts which had been chronically overdrawn by 1.05 billion yuan; and refunded 10.8 million yuan in appropriations drawn or claimed in excess of the authorized amounts. During the second half of 1992, spending for receptions, meetings, and purchases of commodities under special control was cut by 41.5 percent from the same period of 1991.

At today's meeting, Deputy Chief of Staff Xu Huizi read a circular from the three general departments. On behalf of the CMC and the three PLA general departments, Fu Quanyou, member of the CMC and director of the PLA General Logistics Department, congratulated the advanced units and individuals who received commendations. He said: Our army's audit system was built according to the provisions of the "constitution" and the needs of reform and opening up. Supervision over auditing work should be conducted in such a way as to serve the needs of improving military-related macroeconomic regulation and control. It should be conducted with a view to improving economic efficiency in military affairs, and it should play an active role in promoting the army's efforts to construct clean and honest government. Party committees at all levels should regard audit work as an important task, constantly attend to it, and provide

prompt support for such work. It is necessary to be bold in exposing problems and overcome the unhealthy tendency of "reporting good news but not bad news."

Zhou Keyu, political commissar of the PLA General Logistics Department, and other leading comrades of the three PLA general departments attended the meeting.

General Logistics Department Sets New Tasks

HK2102074193 Beijing JIEFANGJUN BAO in Chinese
9 Feb 93 p 1

[By reporter Zhou Tao (0719 3447): "PLA General Logistics Department Sets New Tasks in Logistics Work for 1993"]

[Text] With the spirit of the 14th CPC National Congress and Comrade Deng Xiaoping's thinking on Army building in the new period as the guide, a few days ago the General Logistics Department put forth the guidelines for the all-Army logistic work in 1993: willingly submitting oneself to and serving the overall situation of state economic construction; adapting oneself to the new situation in the socialist market economy and the Army's effort to strengthen quality building; carrying forward the fine traditions of hard struggle and plain living and of building the Army through hard work and thrift; gearing endeavors to the needs of grass-roots units, serving the troops, striving for new achievements in deepening reform, strengthening management, and improving military and economic benefits; doing solid work for the troops with the stress on practical results; working hard to meet the requirement of "ensuring adequate maintenance and supplies"; and further enhancing the coercion and combat capability of troops.

In the face of the fact that the contradiction between the supply and demand of military spending has become more pronounced than in former years, the department urged all troops to make full allowances for the state's difficulties in accordance with Comrade Deng Xiaoping's instruction that "the Army should submit itself to the overall situation of state construction" so that demand is subordinated to possibility and the part is subordinated to the whole, and work hard to achieve good results in their work while exercising restraint. They should uphold the principles of building the Army through hard work and thrift and of hard struggle and plain living, and according to the combat capability criterion, strive to lead a thrifty life well, concentrate financial resources and ensure the focal points of the work so that money is genuinely used where it is most needed in troop construction.

The department stressed: With the Chinese economy's transformation into a socialist market economic structure, logistics units at all levels should strive for conceptional upgrading and mechanism transformation and actively bring military and economic work into an orbit commensurate with the socialist market economy. They should implement the "Regulations on Management of Logistics of Grassroots Units" and improve the quality

and managerial competence of managers. They should uphold the maintenance and supply principle of "the grassroots units going first and offices second and the outlying districts where conditions are harsh going first and the hinterland areas second" and take the improvement of the service in maintenance and supply of the grassroots units as a breakthrough for logistics establishments to overcome bureaucracy and formalism.

The department urged further strengthening the logistic preparations against war and enhance the comprehensive maintenance and supply capability to cope with emergencies; to pay close attention to the regular training of the two series of the troops' rear service [bu dui hou qin 6752 7130 0683 0530] and rear-service units and actively conduct campaign and tactical logistic maintenance and supply maneuvering and training; and to deepen the reform of logistic science and technology structure, bring the Army's logistic scientific and technological strong points in such areas as hygienics and health services, engineering, and construction into full play, vigorously develop domestic and overseas technology markets, promote the industrialization and commercialization of scientific research achievements, and improve their military, social, and economic benefits.

The department also stressed: The Army's production and operation should meet the requirements of the socialist market economy and those for rear-service units to enhance combat capability, adhere to the orientation of readjustment and reform, strive for appropriate-scale development, improve efficiency, and enhance the self-subsidizing ability. The achievements of centralized management of military-run enterprises by specialized departments should be consolidated; the principle of separating military and enterprise functions should be implemented; and the production management structure should be gradually improved. Vigorous efforts should be made to carry out agricultural and sideline production well and run nonstaple food production bases, livelihood service centers, and farms well at all levels.

The department called on logistics units at various levels to enhance their awareness of reform and improve the usefulness of logistic maintenance and supply; to enhance the awareness of service and overcome and guard against extravagance and waste; and to enhance the awareness of clean government and dare to fight against any acts in violation of financial and economic disciplines while keeping themselves clean and honest.

Hainan Secretary, Military Leaders Speak

HK2002073993 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 14 Feb 93

[Excerpts] From 11 to 14 February, the Hainan Provincial Military District called a plenary enlarged meeting of the CPC committee to relay and study the spirit of the enlarged meetings of the Central Military Commission and of the CPC Committee of the Guangzhou Military Region. The meeting stressed the need to stick to training as the central task, vigorously strengthen the

building of leading groups, change the work style of leaders, emancipate the mind, spare no effort to pioneer work, and make great efforts to upgrade the building of the province's troops and reserve militiamen, serving the stability and development of the Hainan Special Economic Zone in a still better way. Over 100 people attended the meeting, including Ruan Chongwu, secretary of the provincial CPC committee and first secretary of the CPC committee of the military district; military district leaders Gong Pingqiu, Xiao Xuchu, Liu Chengbao, Deng Hanmin, (Zhang Deren), Zhou Chuantong, (Su Jita); and cadres at and above the departmental head level of various divisions and regiments, city and county people's armed police departments, and military district organs. Comrade Gong Pingqiu gave a work report on behalf of the CPC committee of the provincial military district. He pointed out: Guided by the spirit of the 14th CPC National Congress and of the enlarged meeting of the CPC Military Commission, in keeping with Comrade Deng Xiaoping's thinking about army building during the new period, and in line with CPC Military Commission Chairman Jiang Zemin's demand that one must be politically qualified, militarily strong, possess a good work style, observe strict discipline, and render effective support, we must unwaveringly place military training in the central position, further improve the military quality of troops, vigorously strengthen war preparation work, strengthen the building of CPC committees and leading groups at all levels, advance the overall level of the building of basic-level units, stick to the strict management of troops, strengthen management, and ensure safety and stability among the troops. [passage omitted]

Comrade Ruan Chongwu attended the summing-up meeting and spoke, calling on troops and militiamen of across the military district to bring into full play their role in the construction of the special economic zone, make new contributions to Hainan's great development, attach importance to reserve militia work, strengthen the special economic zone's reserve force, extensively and thoroughly launch two-support work, further consolidate and develop unity between the military and the government and between the military and the people.

The meeting commended 51 advanced units including units 54 and 440, 36 advanced individuals, and 21 personnel who had made contributions.

Soldiers Involved in Shenzhen Enterprise Dispute

HK2002070493 Hong Kong MING PAO in Chinese
13 Feb 93 p 43

[Text] An investment dispute occurred recently in a Taiwan-funded enterprise in Shenzhen. Troops stationed in Shenzhen fought for one side and beat and injured four workers, smashed plants, took away Taiwan businessmen's travel documents and took 3,000 yuan in cash. Huang Xinhua, spokesman for the Shenzhen Government, said the incident was still being investigated.

Two brothers surnamed Chang from Taiwan, who own and run a plastics plant with another Taiwan businessman in Shenzhen's Shiyuan Town, turned to the local public security organ for help. Reportedly, the two brothers were involved in a financial dispute with another investor from Taiwan and came to blows with the other side, and their followers injured two factory guards who previously served in the Army.

On the evening of 11 February, 20-30 soldiers in uniform, claiming to be stationed in Longhua, abruptly dashed into the factory, demanding that the people who injured the two guards be handed to them. The soldiers held clubs and iron bars. Being led by the factory owner on the other side, they smashed all equipment and machines in the factory.

In the incident, four workers were injured and the travel documents of the two Chang brothers were taken away. They were required to pay 10,000 yuan to recover the documents. They were also robbed of 3,000 yuan in cash. Later, the Changs went to the local public security organ to seek help.

The Taiwan businessmen surnamed Chang said that they were shocked by the involvement of soldiers in their factory's internal dispute and the violence they used to injure four workers. They said that they did not hear that regular troops would beat up common people, so they called for enforcing discipline in the Army.

Economic & Agricultural

GATT's Impact on Yarn, Cloth Exports Viewed

HK1502134193 Beijing GUOJI SHANGBAO in Chinese
30 Jan p 3

[Article by Liu Li (0712 5461): "Impact of China's Admission to GATT on Its Yarn and Cloth Exports"]

[Text] As the date of China's admission to GATT is drawing near, it is high time for our professional export companies to conscientiously assess the impact China's admission to GATT will have on our export of yarn and cloth and to study countermeasures. The following is my personal opinion on the matter.

I. The history and present situation of China's export of yarn and cloth.

Since the fifties, China has exported cotton yarn and cloth and since the seventies, it has exported chemical-fiber yarn and cloth [hua qian sha bu 0553 4960 4784 1589]. The export value stood at \$335 million in 1978, climbed to \$900 million in 1983, reached \$2.9 billion in 1987 (a year in which China's foreign exchange earned through export hit an all-time high), but dropped to \$1.757 billion in 1991. China has now become the biggest supplier of yarn and cloth in the international market. China has a long history of exporting yarn and

cloth and has made a rapid progress in this regard. Yarn and cloth constitute a larger proportion of China's export commodities.

Over the last two years, we have begun to change our main export fabrics from primary products to manufactured products and from extensively processed products to intensively processed products. As a result, the export volume of yarn and cloth has been on the decrease. According to a GATT-provided statistical analysis, China's primary products, including semi-finished products, accounted for 48 and 52 percent of the world's total export volume of fabrics in 1986; 49 and 51 percent in 1988; 50 and 50 percent in 1989; and 51 and 49 percent in 1990. Nevertheless, the yarn and cloth exported by China still made up 10 percent of its total export volume of fabrics in 1991.

II. The impact China's admission to GATT will have on China's export of yarn and cloth.

If China becomes a full member of the GATT multilateral trade structure, it will have more opportunities to sell its yarn and cloth in the international market, and trade talks—which have primarily taken the form of bilateral talks in the past—will be replaced by multilateral talks. Again, China will be entitled to ask related signatories to the treaty to reduce their tariffs and permit China to enjoy multilateral, stable, and unconditional most favored nation (MFN) treatment in over 100 signatory countries and regions. In the meantime, as China is a developing country, it will receive the favorable treatment accorded by the generalized system of preferences (GSP) in developed countries, treatment which is more favorable than MFN treatment, thus creating the preconditions necessary for China to export fabrics on an equal footing and to avoid trade discrimination.

Available information points to the conclusion that yarn and cloth will remain the main export items through which China earns foreign exchange for a fairly long period of time to come. The reasons are as follows.

1. China is one of the world's major cotton-producing countries and is rich in cotton resources. China's maximum annual cotton output is 6.25 million tonnes, which was recorded in 1984. Output was in the region of 4 million tonnes in the 1985-1990 period, showing no growth, while it reached 5.6 million tonnes in 1991. It is estimated output for 1992 will be 20 percent less than the previous year, owing to drought and insects. Output, however, will still reach 4.5 million tonnes, about 23 percent of the world's 1992 estimated output.

2. China is in a position to produce a great quantity of cotton yarn, cotton cloth, and other cotton fabrics and relies fairly heavily on the international market. By late 1991, China possessed 40 million spindles and 900,000 cotton spinning and weaving machines. According to statistics provided by the Ministry of Textile Industry, China produced 21.44 million bales of cotton yarn and dacron-cotton yarn in 1990, of which 1.01 million was

exported, accounting for 5 percent of the total output. In the same year, it produced 15.5 billion meters of cotton cloth and dacron-cotton cloth (both being gray cloth), of which 1.8 billion meters was exported, accounting for 12 percent of the total output. China's export volume of cotton yarn accounts for 10 percent of the total import volume of cotton yarn of the world's major importing countries, while cotton cloth constitutes about 20 percent (according to data provided in the *China Fiber Manual*).

3. Labor costs in China are still relatively low.

According to the latest statistics published by the "International Labor Organization," the world's most authoritative research institute, China ranked the 49th in the world's major textile powers in terms of labor cost in 1991, with its labor cost standing at \$0.34 per hour, much lower than developing industrial regions in Asia and ASEAN countries (except Indonesia). Again, China's textile industry employed a total of 3.77 million workers by late 1990.

To sum up, as China is rich in natural fibers and has an ample supply of labor, so the cost of production is relatively low. At a time when processing techniques are still rather backward, China's labor-intensive products remain quite competitive. Yarn and cloth, among other export fabrics, will therefore still be China's competitive product for a fairly long period of time to come.

Thanks to the efforts of several decades, Chinese-made yarn and cloth has found its way into 80 foreign countries, with Hong Kong, Macao, Japan, the United States, and Europe being the primary markets. China exports only a limited amount of yarn and cloth to Africa, Latin America, the Middle East, Australia, and New Zealand and has yet to open markets in many other regions. There are many reasons for the limited export volume, and one is related to tariffs. Though China has signed bilateral trade agreements (excluding bilateral payment agreements) with 70 regular member states of GATT, among others, their tariffs on our yarn and cloth is rather high on the whole. For example, in the United States and Canada, the tariff rate for Chinese-made yarn and cloth is 8 to 17 percent; in EC countries, it is 12 percent on average; in Latin America and the Middle East it is over 17 percent; and in Australia and New Zealand, it currently stands at 40 percent (it is understood this rate will be lowered in 1993). As members of the British Commonwealth of Nations are allowed to export tax-free yarn and cloth to any country or region belonging to the organization, India and Pakistan, both being China's competitors in this regard, gain an upper hand of China in exporting yarn and cloth to these countries or regions. Though China exports a large quantity of yarn and cloth through Hong Kong, this is not the same as direct export, because there are actually intermediate links. In addition, EC members enjoyed much more favorable conditions than China after they developed their multilateral trading system. The situation will be more to their advantage when they set up an integrated market this

year. French dependent regions, especially French-speaking countries in Africa, imposes a lower tariff on each other's export commodities than on China-made products. All this, along with tariff unions of other countries, have put China in an unfair position in the competition with other yarn- and cloth-exporting countries.

According to the interpretation given by GATT to relevant tariff rates, the tariff (weighted average tariff on all commodities) for most favored nations amounts to 36 percent of the value-added tax, while the preferential tariff is 24 percent of the value-added tax, the difference being 12 percent. The GSP treatment is even more favorable, however. Therefore, China's "admission to GATT" will help it consolidate and expand its existing markets, open up new markets, and obtain a larger market share.

Again, after being admitted to GATT, China will further open its markets. This will help promote the technical progress of the textile industry. This is because a lower tariff and relaxed import restrictions will enable China's key large and medium textile mills producing export products to introduce advanced technology and carry out technical transformation at a greater pace, thus upgrading its products and improving product quality.

While China's "admission to GATT" presents "opportunities," it also poses "challenges." At present, we are facing many difficulties and problems in exporting yarn and cloth as well as the competition from developed countries, the four little dragons of Asia, and ASEAN countries. The situation brooks no optimism.

1. China's export product mix shows that its yarn and cloth are mainly composed of middle- and low-grade goods which meet popular demands, with the varieties of yarn numbering 80 and those of cloth about 350. This means we have a long way to go to meet the demand for a broad range of varieties and the diversification of uses in the international market. We reject customers' orders for certain varieties due to small lots and unsatisfactory economic returns or we lose the opportunity to make a deal because we cannot produce the special varieties needed by customers due to our poor technical equipment.

2. There are serious problems with product quality. Over the last few years, the foreign market has set increasingly strict demands on product quality. Customers now demand that the outward appearance of yarn be flawless and that cloth be seamless. More and more customers are claiming compensation for losses caused by our poor product quality. There has been a decrease in the volume of cotton yarn and dacron-cotton yarn exported to U.S. markets for several years running, and the product has almost been squeezed out of the market. China was punished for exporting poor quality and low-priced dacron-cotton yarn to Europe in the anti-dumping campaign, in which it paid 23.5 percent anti-dumping duties on top of the 11 percent tariff.

III. When we are about to be admitted to "GATT," we must keep calm and take the following measures in facing reality.

1. Speed up the technical transformation of the textile industry. It is necessary to invest heavily in key large and medium factories which produce export products, introducing advanced technology and equipment. We must also update products and should give play to the market mechanism to allow superior quality to triumph over inferior quality. We should never expand those enterprises that exhibit low production capability.
2. Improve management of enterprises. While introducing advanced technologies, we should assimilate and draw on any advanced operational methods or management techniques of other countries. We should make management of all fields a success, concentrating on improving product quality.
3. Set up yarn and cloth export enterprise groups, integrating industry and commerce or enterprise groups under the shareholding system. These enterprise must carry out production and marketing in accordance with international rules and practice.
4. Continue to exercise control over the export of the large quantity of yarn and cloth (two kinds of yarn and two kinds of cloth), which affects the national economy and the people's livelihood, by requiring exporters to apply export licenses and formulate unified measures for controlling and issuing export licenses. We should also control total supply and demand so that our export enterprises will not compete against each other by buying at high prices through various channels and selling at low prices. We should try to increase selling prices and develop an export system that requires less input and yields greater economic results.
5. Increase our bargaining leverage in negotiating the clauses of GATT with the signatory states. We should also study the trade situation and come up with specific work plans for various countries in accordance with their actual conditions. Again, we should work out a table reflecting the broad range of varieties exported by various countries that export yarn and cloth.
6. Upgrade the service and improve the quality of service provided by foreign trade enterprises with respect to export business, vigorously train professional personnel needed for foreign trade, and improve work quality.

We should enhance our sense of emergency at a time when we are about to be "admitted to GATT." Only when we have increased our awareness of the market, production, quality, and competition and have stepped up enterprise self-reform, can we seize the opportunity and pick up the gauntlet and can we survive the keen competition in the international market and expand ourselves, thus enabling our export of yarn and cloth to always be invincible.

Textile Export Quota Management To Be Bolstered

HK2202070993 Hong Kong CHING CHI TAO PAO in Chinese No 6, 15 Feb 93 p 26

[From the "China Economic News" column: "Ministry of Foreign Economic Relations and Trade Decides To Step Up Textile Export Quota Management"]

[Text] According to sources at the Ministry of Textile Industry, to end such abnormal trade behavior among certain export companies and manufacturing enterprises as exporting textile products through entrepot trade to the United States by putting on their products labels of a third country or region in an attempt to evade the quota system, the Ministry of Foreign Economic Relations and Trade has recently decided to take the following actions:

1. To ban textile products manufactured in China (including those processed with imported materials) from being exported or transited with labels of other countries or regions in violation of the quota system to countries free from quota restrictions so long as the textile products in question are deemed to be made in China according to the rules for determining the original place of manufacture;
2. To ban China's textile export enterprises from collaborating with other countries or regions in transiting China-made textile products under quota restrictions to countries free from quota restrictions through unfair entrepot trade;
3. To demand that the foreign economic relations and trade departments or commissions as well as foreign trade bureaus in various localities conduct strict examinations in accordance with relevant rules and regulations before issuing textile export permits, and that the customhouses in various localities step up supervision of textile exports by enterprises with textile export operation powers.

1993 Foreign Investment Expected To Outstrip 1992

HK2102071393 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 21 Feb 93 p 1

[By Wang Yong: "Foreign Funds Expected To Keep Flowing in Faster"]

[Text] China should continue as a haven for international investment in 1993, after experiencing a record inflow of overseas capital last year.

A senior Chinese trade official based this forecast on the fact that China's environment and foreign investment incentives will stay the course or even be improved this year.

Jiao Sufen, director-general of the foreign investment administration of the Ministry of Foreign Economic Relations and Trade, told Business Weekly that overseas

investment would exceed last year's level of more than \$11 billion. But she did not say how fast the pace would be.

"The point is that we will revamp China's laws and regulations on overseas investment toward greater accordance with international practice," she said.

Although details were not yet available, Jiao said the revised laws and regulations would be released this year before China rejoins the General Agreement on Tariffs and Trade (Gatt).

The legal documents would shed light on how to levy taxes on overseas-funded ventures, create conditions for fairer competition, confer the same status as State enterprises, and cut red-tape in approving these ventures.

Special regulations on the management of the service trade, Sino-foreign joint ventures, real estate and tax businesses were also expected to be hammered out this year.

"These new measures will help in China's bid to rejoin Gatt," she said.

At the same time, China will take new steps to correct malpractices in attracting overseas capital that have cropped up in the past few years.

Many local authorities pursued overseas investment in a blind fashion, Jiao said. They even set a minimum number of overseas-funded projects to be fulfilled in a certain period, irrespective of their potential economic returns.

She said in many cases, there were insufficient sources of renminbi funds for joint venture projects.

Moreover, losses in tax revenue were appalling because of unscrupulous tax breaks given by local governments and tax evasion by a few overseas-funded ventures.

But, despite all this, Jiao said overseas investment in China had gained momentum last year.

By the end of 1992, total pledged overseas investment was more than \$110 billion, with an actual input of \$34.2 billion channeled into 90,000 overseas-funded ventures.

A significant feature was that Sino-foreign joint stock ventures developed smoothly, creating a mode of absorbing overseas capital on a larger scale.

Jiao disclosed that further progress in this regard would be made this year.

Overseas businesses have expanded from South China to the lower reaches of the Yangtze River and the hinterland.

The hinterland absorbed some 20 percent of the country's total overseas investment last year, compared with only 7-8 percent before.

Jiao said this was the result of China's decision last year to open up almost every part of the country to overseas investment.

Altogether, 72 countries and regions, mostly from Asia and the Pacific, had invested in China.

Hong Kong, Macao, the United States, Japan and Taiwan remained the leading investors, Jiao said.

About 16 percent of the country's overseas-funded ventures ended up in the service sector.

And the figures was much higher in terms of the amount of capital input, she said.

"Many big-name multinationals made additional investments in China last year, in part because we opened our domestic markets wider for them."

The average input of overseas investment in each project in 1992 rose by 30 percent over 1991.

Foreign-Funded Enterprise Legislation Takes Shape

HK2202051593 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0812 GMT 14 Feb 93

[("Special Article" by Zhao Wen (6392 2429): "China's Legislation on Foreign-Funded Enterprises Becomes a System"]

[Text] Hong Kong, 14 Feb (ZHONGGUO TONGXUN SHE)—Through more than 10 years of accumulating and summarizing experiences, China's legislation on three-fund [san zi 0005 6327] enterprises has now basically taken shape to form a system, thus providing effective legal protection for the legitimate rights and interests of foreign businessmen.

Zhao Chengbi, director of the Foreign Economic Relations and Trade Ministry Treaty and Legislation Department, had an article published in the latest issue of ZHONGGUO SANZI QIYE [CHINA THREE-FUND ENTERPRISES] monthly saying that the laws and regulations concerning three-fund enterprises in China fall into three major areas: The first category is the relevant regulations from the Chinese Constitution. The second is the three major laws that China has formulated for the purpose of introducing foreign capital, namely the PRC Law on Chinese-Foreign Joint-Venture Enterprises (Joint-Venture Enterprise Law), the PRC Law on Chinese-Foreign Cooperative Enterprises (Cooperative Enterprise Law), and the PRC Law on Foreign-Funded Enterprises (Foreign-Funded Enterprise Law) and its relevant regulations. The third comprises the agreements that China has signed with foreign governments to encourage and protect foreign investments.

According to the Chinese Constitution, China allows foreign businessmen to invest in China and cooperate with it. Their legitimate rights and interests are protected

by Chinese law. In addition, the National People Congress [NPC] ratified the amendment to the Constitution in 1988, which stipulated that land utility rights could be transferred according to legal provisions. Based on this, the NPC Standing Committee approved the amendment to the Land Management Law, further confirming the system on the compensatory transfer of land utility rights by the state according to law.

Joint-Venture Enterprise Law, Cooperative Enterprise Law, and Foreign-Funded Enterprise Law were ratified and promulgated by the NPC for implementation in 1979, 1988, and 1986 respectively. Amendments and additions were made to these laws as the situation developed. Apart from this, the NPC and the State Council's relevant ministries and commissions also formulated laws and regulations in coordination with the above laws, such as the Law on the Income Tax of Foreign-Invested Enterprises and Foreign Enterprises, Regulations on Encouraging Foreign Investments, Regulations on Encouraging Overseas Chinese and Hong Kong and Macao Compatriots To Invest, Regulations on Encouraging Taiwan Compatriots To Invest, and the Provisional Management Methods on Foreign Investment for Large-Scale Land Development. In the meantime, provinces, autonomous regions, special economic zones, and economic and technological development zones also formulated some local laws and regulations according to the above state laws and regulations, forming a systematic and complete legal system for three-fund enterprises.

To further encourage and protect foreign investments and improve China's investment environment, from March 1982 to the end of 1992, the Chinese Government signed an "Agreement on Mutually Encouraging and Protecting Investments" with 45 countries; it acceded to the International Multilateral Investment Covenant in 1985; and it acceded to the Convention on Resolving Investment Disputes Between a State and Civilians From Other Countries (the Washington Convention) in 1990. These agreements and conventions, which China has signed and acceded to, play a supplementary role in China's implementation of its laws and regulations on absorbing foreign capital and thus more effectively protect foreign investors' legitimate rights and interests. They will also greatly improve foreign investors' investment confidence in China.

Reports say that the Chinese Government will continue to formulate laws and regulations to cope with the development of foreign investment. One of them is the Ordinances on the Liquidation of Foreign-Invested Enterprises, which will be announced soon.

Quality of Export Commodities Improves

OW1902213093 Beijing XINHUA in English 1518 GMT 19 Feb 93

[Text] Beijing, February 19 (XINHUA)—China improved the quality of its export commodities remarkably in 1992 with the qualified rate reaching 98.4 percent

of the value of the total inspected export goods, according to an official with the State Administration for the Inspection of Import and Export Commodities.

The state inspection institutes of export commodities inspected 1.04 million batches of export commodities last year with 98.2 percent of them, valued at 26.87 billion U.S. dollars, qualified. [sentence as received]

Some 35 categories of commodities were exported last year, the official said, and 25 of them showed improved quality, which represented a record high of 93.8 percent of the total inspected export commodity value.

Of the 10 varieties of large-stock commodities, valued at over one billion U.S. dollars, eight varieties showed improved quality over the preceding year including the commodities of foods, light industrial products, textiles, poultry products, petroleum and machinery equipment.

Some of the state's export commodities which were forbidden export in the last few years on account of inferior quality have regained their qualifications in the international markets. These include canned mushrooms, frozen chicken, honey and many other commodities.

However, the official demanded stricter control over the quality of export commodities, particularly the border trade commodities.

He called on production and management enterprises to strictly supervise and inspect their product quality so as to build good credibility for Chinese commodities in the world markets.

Battle Against Economic Crimes Continues

HK2002042093 Beijing CHINA DAILY in English
20 Feb 93 p 3

[By staff reporter Ma Zhiping: "China Is Fighting Economic Crimes"]

[Text] Huge economic losses have been recovered for the State and individual victims following court action on more than 187,000 economic crime cases last year.

Sources from the State Administration for Industry and Commerce said a total of 750.9 million yuan (\$129.46 million) in fines was turned over to the State and that 213.1 million yuan (\$36.74 million) of economic losses was recovered for those who suffered at the hands of lawbreakers.

Economic crime was rampant last year in China, with about 1,200 cases sent to legal departments for prosecution. Most of the serious cases were committed by gangs equipped with advanced and secret devices, according to Liu Minxue, head of the State Administration of Industry and Commerce.

About a quarter of the serious cases involved the production and marketing of substandard or shoddy goods. The number of such cases grew from 2,737 in 1991 to 3,521 in 1992.

One third of the 187,800 cases were concerned with illegal profiteering. Smuggling was still widespread in coastal areas but it also spread inland.

The Fujian Provincial Administration for Industry and Commerce handled more than 900 serious smuggling cases. The figure represents 42 percent of the province's total number of serious cases last year. The border province of Yunnan also heard about 900 such cases—double the provincial record of 1991. The provincial administration in the northeastern province of Jilin reported a 200 percent increase in smuggling last year.

State Administration for Industry and Commerce also disclosed that a great number of the serious economic crimes were committed by State and collectively-owned units, which committed more than 6,000 crimes. These included selling poorly made commodities and raising prices illegally.

The administration of economic contracts was further strengthened last year, with three billion economic contracts struck.

Industry and commerce bodies in 29 provinces, regions and municipalities—except the Tibetan Autonomous Region—examined the signing and implementation of economic contracts in 510,000 firms and enterprises, checked 15.3 million contracts and corrected 320,000 substandard contracts.

To standardize contract signing, the State Administration issued 29 contract samples. These have been used by 70 percent of China's enterprises and companies.

Last year, relevant bodies handled 136,000 contract disputes and helped economic contract litigants avoid 6.86 billion yuan (\$1.18 billion) in economic losses.

Contract awareness is being improved among industrial and commercial firms, to help them keep pace with rocketing market competition in China.

Concerned officials said 75 percent of economic contracts were abided by, increasing about five percent over the 1991 level.

Economists Predict 'Slightly' Lower Growth Rate

HK2202084893 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1254 GMT 15 Feb 93

[Text] Hong Kong, 15 Feb (ZHONGGUO TONGXUN SHE)—Mainland economists have predicted: China's economy will continue to grow at a fairly high rate this year, but the growth rate will be slightly lower than last year's; consumer demand will have a greater impact on economic growth; fixed assets investment and net imports in 1993 will be about the same as last year or will

increase somewhat; supply-demand relations will become tense; and the price of retail goods will probably grow at a rate higher than last year.

The responses experts have given to the questionnaire issued by the State Council Research Office, the State Commission for Restructuring Economy Macroeconomic System Department, and the magazine GUANLI SHIJIE show that 47 percent of the experts believe the 1993 GNP will increase 8-10 percent, a growth rate slightly lower than last year.

Over 60 percent of the experts maintain that the total volume of retail sales will increase by 15-17 percent, and 17.6 and 12.9 percent of the experts predict the growth rate will be lower and higher respectively.

Most experts believe the 1993 fixed assets investment will be at the same level as last year or higher, specifically, 40 percent of the experts believe the investment will total 700-750 billion yuan. Taking into account the possibility that China will restore its status as a signatory state to GATT this year, 37 percent of the experts believe China's 1993 balance of international payment will be about the same as last year, while 32.9 percent maintain that the figure will shrink.

According to the survey, most experts believe that China's prices show a clear rising trend this year; 49 percent of the experts maintain prices will climb 6-8 percent, while 38.8 percent predict increases of 8-10 percent. Most experts maintain that there will be a greater strain on the supply of energy and raw materials as well as on transport—problems that die hard—and that the "bottle neck" effect inherent in China's economic structure will further manifest itself as China's economy continues to grow at a high speed in 1993.

Article Examines National Economic Trends

HK2202005593 Beijing GUANGMING RIBAO in Chinese 2 Feb 93 p 3

[Article by Hou Qingguo (0186 1987 0948), from the State Planning Commission Technological and Economic Research Institute: "China's Economic Operation Trend As Well As Regulation and Control Measures"]

[Text] An analysis conducted in accordance with the law of appropriate economic growth, change of economic results, and economic fluctuation shows that China's economic growth is expected to shift from an upward trend witnessed in the period from December 1989 to September 1992 to a downward trend in the period from October 1992 to November 1993. It is expected that China's economic growth will probably reach a turning point between October and November 1993, most possibly in October 1993. The downward trend reflects the law of economic fluctuation and is the result of an accumulated impact of several economic periods. What is especially worth mentioning is that an upward trend, a downward trend, or a turning point in economic growth is mainly circumscribed by economic performance in the

previous periods. At present, macroeconomic regulation and control can still alter economic fluctuation scale though it cannot alter the economic trend. This means that the downward trend of the country's economic growth anticipated for the period between October 1992 and November 1993 will continue, despite the fact that we already have a heated or overheated economy at present.

China's economy is expected to remain in a cool or excessively cool state for most of 1993. January 1993 will witness the shift from overheated economic growth to an appropriate economic growth. In the remaining months of the year, the economy will embark on a downward turn and move toward a more appropriate growth. Therefore, the country's economic activities are not expected to yield gratifying results in 1993, especially in the second half of 1993. A drop in the industrial economic efficiency and commercial economic efficiency in 1993 will certainly cause a drop in the economic efficiency of communications and transportation departments. As a result, in 1993, the proportion of the primary industry in gross national product will probably be larger, and that of the secondary industry in gross national product smaller, compared with 1992. Moreover, agricultural and foreign trade departments are also expected to score better results in economic activities than in 1992.

Whether or not we are able to raise the country's economic (gross national product) growth rate to and above 8 percent will have a direct bearing on the results of the country's economic activities. If the monthly economic growth rate rises above 8 percent, then the economic activities are expected to yield better results. Therefore, we should employ the following forceful measures to check the downward turn of our economy as of January 1993.

1. As of the start of 1993, we should make every possible endeavor to build more new projects, especially new productive projects. By so doing we will be able to not only increase the demand for investment-related products and thereby effectively check the downward turn of the heavy industrial production, but also increase the currency wage incomes of citizens, increase the demand for consumer goods, and thereby effectively check the downward turn of the light industrial production. Moreover, by building more new projects, we will also be able to bring the downward turn of the building industrial production under effective control.

2. As indicated by a drop in the light industry-heavy industry ratio circumscribed by an economy moving from an overheated growth to a heated, cooled, and then overcooled growth, the light industry-heavy industry ratio in 1993 is expected to be lower than 0.95:1. Under such circumstances, we should increase the input of readily marketable light industrial products in order to raise the light industry-heavy industry ratio to or possibly higher than 0.95:1 in 1993.

3. As indicated by a drop in the fixed assets accumulation-floating assets accumulation ratio circumscribed by an economy moving from a heated growth to a cooled growth, the fixed assets accumulation-floating assets accumulation ratio in 1993 is expected to probably be lower than 3.3:1. Therefore, we should try to increase the proportion of fixed assets accumulation and reduce the proportion of floating assets accumulation in 1993. Increasing the proportion of fixed assets accumulation is the most forceful measure of checking the downward turn of our economy whereas increasing the proportion of floating assets accumulation is but an expedient measure incapable of yielding relatively good results.

4. As indicated by a drop in the productive investment-nonproductive investment ratio circumscribed by an economy moving from a heated growth to a cooled growth, the productive investment-nonproductive investment ratio in 1993 is expected to probably be lower than 60.4:39.6, which is the appropriate ratio. A drop in the productive investment-nonproductive investment ratio will inevitably cause a drop in the proportion of per unit fixed assets investment in gross national product this year and next. Therefore, we should try to increase the proportion of productive investment with an eye on raising the productive investment-nonproductive investment ratio to and possibly higher than the appropriate ratio (60.4:39.6).

5. As indicated by a rise in the consumption rate circumscribed by an economy moving from a heated growth to a growth operation, the consumption rate in 1993 is expected to probably be higher than 68.5 percent. A drop in the accumulation rate coupled with a rise in the consumption rate will inevitably result in a decline of social wealth production capacity. Therefore, we should try to raise the accumulation rate to, and possibly higher, than 31.5 percent, which is the appropriate rate.

6. As of the start of 1993, we should also relax control over monetary markets and increase credit and loan funds input. We should bear in mind the fact that in 1992, prices rose by a large margin due to an increased input of credit, loans, and currency and a rise in production cost. However, the price hike did not cause a threatening inflation. As the economy is now constantly moving away from a heated or overheated growth, the situation is expected to gradually take a turn for the better.

7. In 1993, we should appropriately lower the bank deposit interest rates. The operative mechanism of a market economy demands that the bank deposit interest rates fluctuate in light of economic fluctuation. At present, since a sound socialist market economic operative mechanism has yet to be established, the time is not yet ripe for us to lift control over the bank deposit interest rates. Under such circumstances, we should appropriately lower the bank deposit interest rates as of the start of 1993 when the economy cools down. Lowering the bank deposit interest rates will not only stimulate consumption, increase the demand for consumer

goods, and effectively check the downward turn of the light industrial production but also bring down the bank loan interest rates and thereby lighten the burden of enterprises in paying the loan interest, thus stimulating investment, increasing the demand for investment products, and effectively checking the downward turn of production.

8. In 1993, we should increase the proportion of production-oriented financial expenditure and reduce the proportion of consumption-oriented financial expenditure. Since the financial revenue growth rate in 1993 is expected to be lower than that in 1992, we should cut down on the consumption-oriented financial expenditure. Since enterprises are expected to face more operational difficulties in 1993, we should appropriately lighten their tax payment burden, allow them to retain more profits, enhance their blood creation function [as published], and help them tide over difficulties. This will contribute to an increase in revenue in future.

9. As a result of the economy's downward turn, the domestic demand is expected to gradually shrink. In 1993, we should further open up the international market and make every possible endeavor to expand export.

10. In 1993, we should gradually increase the floating-funds loan input in the circulation domain and further invigorate the circulation domain. The invigoration of the circulation domain will certainly enable the production domain to pick up.

Development Areas Said Subject To Rectification

HK2202054193 Hong Kong CHING CHI TAO PAO in Chinese No 5, 8 Feb 93 p 29

[From the "China Economic News" column]

[Text] According to Wang Xianjin, director of the State Land Administration Bureau, China will soon rectify those development areas which are out of control. The work will involve the following three aspects:

1. The work will basically concentrate on development areas approved by the central or provincial government. The status of other development areas will not be recognized.

2. The status of development areas confirmed by the central and provincial government will be reexamined in light of their achievements. While those that perform well will continue to "keep their names on the list," those that are not up to scratch will have their preferential conditions withdrawn.

3. The use and development of land in the development areas which were not approved by the central or provincial government, will be strictly examined according to the laws and regulations with respect to land administration. Those who illegally occupied land or approved leases for land before the two documents issued by the

State Council shall report to the authorized land administration office and go through necessary procedures before the deadline. Those who fail to act as needed will accept the consequences. Those who illegally occupied land and approved leases for land after the two documents were promulgated will be identified and dealt with.

Wang Xianjin emphasized the work is a major event concerning future generations. We must, he added, handle relevant cases in a decisive manner. We must make sure that the laws and regulations governing land administration will carry authority, protect China's land resources which are in short supply, and make the best use of land.

Enterprises Said Slow To Take Up Reform

HK2202040493 Hong Kong SOUTH CHINA MORNING POST in English 22 Feb 93 p 8

[By Daniel Kwan]

[Text] Only one third of the orders given by the Economic and Trade Office (ETO) to reform China's inefficient enterprises have been put into effect.

"Five of the 14 ETO orders to grant greater autonomy to enterprises have been implemented (by localities)," said Mr Zhu Tao who heads the ETO's enterprise reform office.

"But five others have only been partially fulfilled and four have not been realised."

Another ETO official added: "While we have made some initial progress, we are still far from our goals."

The remarks indicate that Beijing still faces stiff opposition from bureaucrats and local governments to transform its enterprises.

According to the official New China News Agency (NCNA) [XINHUA], the State Council has received 43 sets of implementing rules filed by the local governments and various departments, which are needed before the ETO's orders can be put into effect.

Thirty-two of these complimentary rules have been examined and approved by the State Council.

And in an unusual move, Mr Zhu yesterday also publicly enlisted the help of the media to "expose any cases of malpractices" so all such orders could be realised within the year.

Although it was "a matter of fact" that the mainland media always toed the official line, it was unusual for government officials to ask the press to "expose officials' malpractices".

According to Mr Zhu, the five orders which have been implemented mainly covered areas such as pricing, investment of self-retained capital, purchasing and sales.

A number of administrative orders which contradicted the ETO's decrees have also been abolished.

However, many enterprises were still denied the right to make independent investment decisions, export and import, hiring of staff and refusing unreasonable surcharges levied on them by the various government departments.

Among other factors, Mr Zhu blamed the slow progress on the "fence-sitting" attitude of some local bureaucrats and a bloated government structure.

According to reports by official agencies yesterday, one major obstacle to the enterprise reform was that many government officials have "sidelined" the programme and set up their own new companies to take over the powers relinquished from the Government.

The lack of a social security system in China was said to be another factor, the reports said.

Meanwhile, Mr Zhu praised some provinces for taking the initiatives in revitalising the enterprises.

For example, the government in Guangxi has officially proposed that the managers of enterprises could double as the party secretaries.

Legal Scrutiny of Securities Industry Increasing

HK2102073093 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 21 Feb 93 pp 1, 3

[By Ren Kan: "Securities Law Tightened Up"]

[Text] China is tightening legal scrutiny over the country's fledgling securities industry, which has stock exchanges in Shanghai and Shenzhen.

The recent publication of a set of temporary provisions on the credentials of lawyers and law firms is seen as one step by the government to oversee the industry.

The provisions, jointly issued by the Ministry of Justice and China Securities Supervision and Administration Committee (CSSAC), is the country's first national legal document dealing with the securities market.

An CSSAC official said the credential document is an important measure to ensure that the securities market is under legal management.

China is speeding up the construction of a legal framework for the securities industry to ensure the healthy development of the market and to protect investors' interests. China has only 20,000 full-time lawyers, far too few to handle the broad range of new responsibilities that economic reforms have brought them, said Jerome A. Cohen, professor of New York University's School of Law.

Moreover, most Chinese lawyers are not familiar with financial and securities regulations, he said.

"So immediate and major steps must be taken to expand the number of lawyers capable of assisting in the development of the securities industry," he said.

A set of provisions on credentials for securities-related accountants and accounting firms will soon be announced, sources said.

National securities regulations are also expected to come into force this year.

Securities administration officials are aware the country's shareholding system and the establishment of a securities market were put into effect without unified laws and regulations covering the whole country.

Securities-related law refers to legal work for securities business conducted by securities firms.

It also includes examination and revision of all kinds of other legal documents.

According to the provisions, lawyers and law firms must get the credentials from the Ministry of Justice and the China Securities Supervision and Administration Committee before they start securities-related law firms.

These lawyers are required to have over three years working experience in economic and civil law business.

And they should have a blemish-free record in their professional history during the three previous years.

Before they apply for the credentials, they must receive special business training and pass an examination at the Ministry of Justice and CSSAC or their authorized training centres.

The official said the committee at present is selecting teachers and revising teaching materials for the training course.

Analysts said the provision will urge lawyers and law firms to be cautious when they conduct securities-related legal work.

According to the provisions, if they supply false documents to the public and CSSAC or their documents have important omission, their credentials will be revoked or put on hold for one to three years.

And the Ministry of Justice and CSSAC will supervise the activities of these lawyers and law firms.

Foreign law firms assisting Chinese firms to issue and list their stocks outside China must supply reports about themselves to the ministry and committee, which will make approved firms public.

Approved foreign law firms must apply for renewal of their approval every year, according to the provisions.

Analysts said the provisions will foster a strong contingent of Chinese law specialists engaged in securities-related law business.

'Rapid Increase' in Currency Amount in 1992

HK2002064993 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0543 GMT 12 Feb 93

[Text] Beijing, 12 February (ZHONGGUO TONGXUN SHE)—Relevant sources from the Investigation and Statistics Department of the People's Bank of China said that last year the Chinese banks succeeded in controlling the loan scale, but failed to check a rapid increase in the amount of currency.

This situation was caused by several factors: The rapid increase in the amount of directly coordinated funds; after restrictions were imposed on the loan scale, specialized banks continued to lend to nonbanking financial institutions their own surplus reserve funds, which were in fact the surplus loans provided by the central bank over the two previous years; and the behavior of non-banking financial institutions were not placed under control.

The experts concerned believed that the excessive currency input in 1992 was caused by three factors: The demand for currency increased as the economy kept on growing; an increase in the amount of cash held by commercial institutions, enterprises, and citizens; funds flew to other countries and regions as border trade developed. The situation shows that China's economic growth still relies on a huge input of funds, goods, and materials.

Announcement on Currency Entry, Exit Controls

OW2002213593 Beijing XINHUA Domestic Service in Chinese 0516 GMT 13 Feb 93

[People's Bank of China "Announcement": "Limits on the Amount of Currency Exiting and Entering the Market"]

[Text] Beijing, 13 Feb (XINHUA)—In accordance with PRC State Council Decree No. 108, the limit on the amount of national currency exiting and entering the country is herein announced as follows:

1. The amount of national currency allowed to be carried out and into the country by Chinese citizens and foreign nationals each time shall not exceed 6,000 yuan in renminbi per person.

2. In locations where people are allowed to cross the border to purchase things and engage in small trade, the provincial-level branch of the People's Bank of China [BOC] may determine, together with customs and in light of actual conditions, the amount of renminbi that can be carried out and into the country by Chinese citizens and foreign nationals, and this limit shall be enforced after it is reported to and approved by the BOC head office and the General Administration of Customs.

3. These stipulations shall take effect 1 March 1993.

The above is herein promulgated.

[Signed] Governor Li Guixian

[Dated] 5 February 1993

Economist Views Public Ownership Reform

HK2202062493 Beijing JINGJI RIBAO in Chinese
5 Feb 93 p 7

[Interview with economist Jiang Yiwei by staff reporter Wang Bin (3769 1755); place and date not given; first paragraph is introduction: "A Dialogue on Public Ownership Reform—An Interview With Noted Economist Jiang Yiwei"]

[Text] On 25 January 1993, Jiang Yiwei, a noted economist and this newspaper's senior theoretical adviser, died of illness in Beijing. As a celebrity in economic theoretical circles, Jiang Yiwei devoted himself over a considerable period of time to studying the orientation and methods of state-owned enterprise reform under the circumstances of public ownership and made outstanding contributions to the theoretical exploration of our country's reform and development. Not long ago, this reporter interviewed him from his sickbed, and this unexpectedly became Comrade Jiang Yiwei's final remarks to the press before his death. A summary of his remarks is being published to express our deep grief for Comrade Jiang Yiwei.

[Wang] Two years ago, you raised the issue of democratizing the property system. Obviously, you hold that the traditional practice of treating the "state-owned and state-run" pattern as the basic characteristic of the property administration system can neither realize the original intention of using socialism to change private ownership into public ownership nor be compatible with the requirements of the socialist market economy.

[Jiang] Yes. First, as far as existing enterprises owned by the whole people are concerned, the state exercises the ownership right on behalf of the entire society. The state directly manages and administers the enterprises in the capacity of owner, whereas the master status of enterprises' staff and workers is not adequately reflected, and the goal of implementing public ownership has not been completely achieved.

Second, under the circumstances of treating the "state-owned and state-run" pattern as the main body, the state invests in and accumulates the main body, whereas the enterprise loses the ability of self-transformation and self-development. The enterprise's staff and workers have no right to allocate the means of production. Hence, it is certain that staff and workers will be concerned merely with personal interests, and it is impossible for them to take the initiative in caring about the transformation and development of the means of production. It is generally acknowledged that enterprises should have independent economic interests, but, in the final analysis, how should enterprises' independent economic interests be displayed? They should not be merely displayed in staff and workers' personal income and

welfare but should be primarily be displayed in the enterprises' capability of being responsible for their own profits and losses and of self-development. To realize this point, enterprises must become the main body of investment and accumulation.

Then again, under the traditional system of property administration, the state does not manage enterprise assets in such a way as attaching importance to their value and treating them as commodities, but rather it manages them in the form of material objects. Enterprise laborers cannot control state-owned enterprise assets and regulate the storage of enterprise assets, thus confining assets within the limits of enterprises and imposing restrictions on the optimal distribution of resources.

Hence, to establish a socialist market economic system, it is necessary to reform the existing system of property administration. I think that an important orientation of public ownership reform is precisely to increase or widen the part in which staff and workers directly integrate with means of production.

[Wang] What do you think is the concrete way to achieve the above goals?

[Jiang] As far as reform of the public ownership system is concerned, the key is to reform the concept of ownership by the whole people. The concrete way to achieve this is: For state-owned enterprises—with the exception of few special departments and large enterprises that have a bearing on the national economy and the people's livelihood, which will continue to implement the state ownership system—a large number of small state-owned enterprises can change themselves into collective ownership by taking the form of compensative transfer, whereas numerous large and medium state-owned enterprises can implement various forms of joint stock transformation and become limited liability companies or limited joint stock companies. In rural areas, over a fairly long period of time, the rural economy can remain a household economy on the basis of public land ownership, whereas township and town enterprises can take the path of the collective economy or the joint stock cooperative economy.

The result of such reform is that the joint stock economy and the city and township collective economy will become the main body of society's ownership structure. The collective ownership economy is also an important component of the public ownership economy, and the joint stock economy, due to the fact that public stocks account for a considerable proportion, is also part of the economy of public ownership. Hence, viewed from a microscopic angle, there are very few pure state-owned enterprises, but, viewed from the perspective of the whole society and the total amount of assets, the economy of public ownership has not shrunk and is still a key force.

[Wang] You have just mentioned that the economy of collective ownership will be one of the principal components of the reformed ownership structure. At present, there is a great variety of types of collective ownership in society, and, with further development of collective ownership in our country, more new patterns will emerge. What do you mean by the concept and expression of collective ownership?

[Jiang] After decades of development, collective ownership has evolved into two major patterns. The first one is the collective ownership expounded in the Constitution, that is, cooperative ownership in which laborers not only participate in labor but also raise funds (now it is called the "minicollective"), and its property is in "a form of being pieced together" which will inevitably be quantified at the personal level, and ownership is exercised by all workers and staff who have played a part in raising funds. When workers and staff members are transferred to other posts, they can take away their own share of the funds. Another kind is the so-called "large collective," which has gradually taken shape over several decades. Its assets are not formed by raising funds among staff and workers or by state investment, but, most often, through enterprises' self-accumulation over a number of years. The assets are owned by all workers and staff and cannot be quantified at the personal level, and ownership is exercised by the enterprises' labor collectives. If management measures are proper, these two forms of collective ownership can realize, in the microeconomy, the direct combination of enterprise staff and workers with means of production.

[Wang] What will be the advantages if collective and joint-stock ownership is introduced into the reform of state-owned enterprises in accordance with your train of thought?

[Jiang] The advantages will be largely shown in three aspects. First, this kind of reform will not change the nature of public ownership but will break the property pattern of treating "state-owned and state-run" enterprises as the main body, which will help promote the development of the socialist market economy. In joint stock enterprises, the state can act as the largest shareholder or can simply purchase stocks. It can also withdraw from holding such stocks. The state can act according to economic development and can also use the funds raised by taking over stock ownership to flexibly carry out investment policies and promptly readjust the industrial structure.

Second, the mechanism of being responsible for one's own profits and losses or of the labor collective's taking joint responsibility for profits and losses is implemented in the economy of collective ownership. For state-owned enterprises implementing joint-stock transformation, profits or losses are shared by state stocks, social legal person stocks, stocks collectively owned by enterprise laborers, personal stocks owned by enterprise staff and workers, and social and public stocks, according to the amount of investment they have made, and this can help

enterprises become responsible for their own profits and losses. With the acceptance of this responsibility, self-accumulation, self-development, and self-restraint can be accomplished.

Third, as far as limited liability companies are concerned, enterprises not only have collectively-owned stocks but also allow individual workers and staff members to become shareholders so that enterprise staff and workers are not only laborers but also owners of some of enterprise property, thus they more clearly define their position as the main body in the enterprises and are compelled to care about waste and accumulating assets from material interests. Similarly, as far as limited joint stock companies are concerned, staff and workers can purchase and sell their company stocks. They have received firsthand stocks and have certain interests related to holding stocks and are concerned about increasing the value of their stockholdings. Hence, they also care about the management conditions of their own companies.

[Wang] As far as limited liability companies are concerned, it has clearly been stated that assets formed by enterprises' retained profits and those formed after using retained profits to repay bank loans and interest are laborers' collectively-owned stocks, which are neither owned by the state nor by staff and workers. It remains a controversial issue in the theoretical circles. What is your view?

[Jiang] This is an issue which cannot be evaded when transforming state-owned enterprises into joint stock companies. The nature of enterprises' retained profits is to let enterprise staff and workers share their own enterprises' profits. With the exception of reward and welfare funds that are owned by individuals, production development funds are jointly owned by all workers and staff members, whereas assets formed by production development funds should be jointly owned by all workers and staff members. As for assets formed after using retained profits to repay bank loans and interest, I think it should even be perfectly justified that they are owned by all workers and staff members. As far as the individual economy, private economy, collective economy, and foreign-invested enterprises are concerned, it is precisely the case that assets formed after using retained profits to repay bank loans and interest are owned by these enterprises, is it not?

State Enterprises, Market Economy Discussed OW2002051293 Beijing XINHUA Domestic Service in Chinese 0752 GMT 19 Feb 93

[By reporter Xu Yaozhong (1776 5069 0022)]

[Text] Beijing, 19 Feb (XINHUA)—Chen Qingtai, deputy director of the State Council Economic and Trade Office, today announced at a news briefing in Beijing: To further emancipate the people's minds and promote the implementation of the "Regulations Concerning Transformation of the Management Mechanism

of State-Owned Industrial Enterprises," the State Council Economic and Trade Office and the CPC Central Committee Propaganda Department will jointly initiate extensive discussion throughout the country on "state-owned enterprises and the market economy."

Chen Qingtai said: This year is a key year in implementing the "regulations." The management mechanism's transformation is to help enterprises have their own power to enter into the market. It is related to the operation of enterprises, government administration, social security, and the change of concept. In particular, the delegation of 14 kinds of decision-making powers to enterprises, and the change of government management and functions will encounter certain resistance and is not an easy matter. When our position in the GATT is restored, the state-owned enterprises will face even more fierce competition in the market. The task of having most enterprises operate according to the "regulations" before the end of this year is very urgent. Therefore, it is necessary to energetically unfold extensive discussions throughout the country on implementing the "regulations."

Chen Qingtai said: The purpose of unfolding extensive discussion on implementing the "regulations" is to promote the change of government functions and the delegation of 14 kinds of decision-making powers to enterprises; and to have most state-owned enterprises operate in accordance with the stipulations of the "regulations" before the end of this year. The discussion is to create necessary internal and external conditions for enterprises to enter into the market, study appropriate operational methods, and promote the establishment and development of a socialist market economy.

At the press briefing, Chen Qingtai reiterated that the guiding ideology for deepening reform of enterprises this year is to seriously implement the guidelines of the 14th CPC National Congress, use Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics to guide the practice of reform, emancipate the people's minds, and seek truth from facts. We should attach importance to transforming the management mechanism of enterprises and pushing them into the market in order to improve the operation of state-owned large and medium-sized enterprises; to strengthen their vitality; increase their economic results; turn state-owned enterprises into independent entities in the market; and to promote the establishment of a market economy, and a faster and better development of the national economy.

The goal of deepening the reform of enterprises this year is to take a firm grip on the implementation of the "regulations" and to speed up the pace of transforming enterprises' management mechanism. We should strive to basically implement the decision of delegating 14 kinds of decision-making powers to enterprises as stipulated by the "regulations" before the end of this year, and have most state-owned industrial enterprises

operate in accordance with the new mechanism stipulated by the "regulations." Meanwhile, we should accelerate the change of government functions and the establishment of a social security system and related reform measures in line with the guidelines of the forthcoming Eighth National People's Congress. We should formulate some policies and laws to meet the needs of the establishment of a market economy. We should, in the spirit of integrating theory with practice, study and discuss how to implement the separation of the functions and responsibilities of government administration from those of enterprise management; straighten up the relations between ownership and operational rights, and the distribution between the state and enterprises; improve the organizational structure of enterprises; reduce the burden of enterprises and other important issues; and put forward methods to solve various problems.

Chen Qingtai called on various units to follow the above-mentioned guiding ideology and center on the above-mentioned goal in holding discussions on "state-owned enterprises and the market economy."

Chen Qingtai hoped that the press circles would closely coordinate their work with the propaganda on implementing the "regulations" and the change of enterprises management mechanism; help launch an upsurge of publicizing and implementing the "regulations" before the convocation of the First Session of the Eighth National People's Congress; and create favorable public opinion for changing the functions of the government and the management mechanism of enterprises, and implementing the decision of delegating 14 kinds of decisionmaking powers to enterprises.

Private Enterprises' Rapid Development Examined

OW1902213393 Beijing XINHUA in English
1624 GMT 19 Feb 93

[("Roundup" feature)]

[Text] Beijing, February 19 (XINHUA)—China now has 139,000 privately-owned enterprises, a result of the country's reform and opening in the past 14 years.

Government statistics show that the registered capital of private enterprises reached 22.12 billion yuan last year and their total output value amounted to 20.51 billion yuan, increasing 79 percent and 67.1 percent respectively over those of the previous year.

About 2.32 million people were employed by private enterprises last year, an increase of 26 percent over 1991.

Owners of private enterprises were classed as exploiters in China in the early '50s and their business opportunities were limited.

In the late '70s, as a result of more relaxed policies, the private economic sector began to develop, surging ahead in 1988 both in quantity and scope as a result of government encouragement.

Coastal areas are the most developed areas in terms of private enterprise. According to statistics, Guangdong Province in southern China has more than 30,000 such enterprises, the most in the country, while private enterprises in Zhejiang, Liaoning and Shandong Provinces exceed 10,000 each.

Provinces with total private registered capital exceeding 1 billion yuan are Guangdong, Hainan, Liaoning, Fujian, Zhejiang and Shandong, and provinces with an output value from private enterprises surpassing 1 billion yuan include Guangdong, Zhejiang, Fujian, Shandong, Hebei and Liaoning.

Nowadays private enterprise is viewed as a strong complement of the country's publicly-owned economy. The government has made it a policy that private, state-owned and collectively-owned enterprises are equal in economic competition. Some important means of production and durable consumer goods, previously limited with private enterprises, are being gradually opened to them.

Private investment in southeastern China has begun to change from the processing industry to tertiary industry. Last year 38 percent of the private companies in the area were engaged in the building, commerce and service industries. In some cities, private enterprises emerged in the fields of information, advertising, transport, culture and high-tech industry.

Since last year more than 11,000 private enterprises have become shareholding or limited liability companies. More than 200 private enterprises have established joint ventures with overseas businessmen.

The achievements of private businessmen have been recognized by society. Their representatives have been elected deputies to the coming Eighth National People's Congress and to the Eighth National Committee of the Chinese People's Political Consultative Conference. Most owners of private enterprises say that it is the government's policy of reform and opening that created chances for their success.

At the beginning of this year, the State Administration for Industry and Commerce announced that the government will further ease restrictions on the scope of business and operations and simplify the approval and registration of private enterprises. The state will also encourage private enterprises to open inter-region, inter-industry and inter-ownership companies and allow private enterprises to lease, contract and buy small state-owned and collective enterprises.

Analysts say that these new policies will promote the further development of China's private enterprises.

Rural Enterprises' Potential Described

OW2102125193 Beijing XINHUA Domestic Service in Chinese 0749 GMT 18 Feb 93

[("Newsletter" by XINHUA reporter Li Rong (2621 2837))]

[Text] Shanghai, 18 Feb (XINHUA)—There has been plenty of news from the outskirts of Shanghai. Not long ago, the village-operated Jiangchuan Industrial Corporation purchased the No. 17 Television Plant owned by the municipal government, and people are still talking about the merger, saying that it was the first case of "rural areas encircling the cities."

Some Shanghai people have the deep-rooted habit of looking down on rural enterprises and calling them "unorthodox." That was specifically the way workers from the merged television plant regarded rural enterprises.

Five years ago, this plant, which was adjacent to the Minhang Economic and Technical Developmental Zone, purchased a black and white television production line with 13 million yuan of borrowed money. However, in less than one year, the plant's production could not continue, owing to the sluggish sales of their television sets, called "Love," as well as losses resulting from bad business advice. In 1990, the plant had to suspend its production and sent its workers home, paying them 70 percent of their wages while they were waiting for jobs.

Meanwhile, the plant started to "strike out" in all directions and negotiated with more than 30 other municipal enterprises for support. Later, it was asked to seek help from the Jiangchuan Industrial Corporation, operated by Pengdu village in Maqiao Township. Plant personnel then talked to Wu Chuanmin, general manager of the corporation, with the feeling that "we really do not want to do this if we can help it."

When the news got back to the television plant, it triggered all sorts of questions. Many workers blurted out: "What? Selling our plant to Uncle Peasant? No way!"

"Rural enterprises are unstable and unreliable. What will we do if the corporation changes policies and dissolves?"

"If we work for this rural enterprise, can it guarantee our health insurance and other benefits?"

When Jiangchuan Corporation became aware of the worries, it invited the representatives of the plant trade union and workers to visit the corporation. The representatives of the plant were greatly surprised by the corporation's tall buildings, advanced equipment, experienced engineers, and well-trained workers. General Manager Wu Chuanmin briefed the visitors: "Under the Jiangchuan Corporation are 33 enterprises, including the Minhang Refrigerator Plant, a paint plant, and a hardware plant. This year its total output will reach 120 million yuan and will deliver more than 20 million yuan

of profits and taxes to the state. Its output next year is expected to double, reaching 250 million yuan, and it will deliver 50 million yuan of profits and taxes to the state."

"That rural enterprise is really something!" So, after the plant's workers' congress discussed and approved the sale and after the Municipal Instrument and Meter Bureau concurred, Jiangchuan Corporation paid 4.2 million yuan to purchase the "No. 17 Plant," renamed it the "Shanghai Jiangsen Television Plant," appointed a new director to manage it, and "consolidated and reorganized" the 17 "small but all-embracing" departments.

After conducting a thorough market survey, Wu Quanmin decided that the new plant would continue to produce television sets, also called "Love" as in the past, but with a completely new, "cabinet" appearance.

Attention had to be paid to the art of promoting the sales of the product on the market. Wu Chuanmin was quite confident in this area. He said: "As long as the quality of our goods is good, they will sell. Being orthodox or unorthodox makes no difference.

Sales of "Love" television sets has risen over the past three months. The plant, which also enjoys a brisk business selling electronics components, is expected to make a profit in six months. The workers say: "It turns out that we were right in choosing to work for Jiangchuan. Our pay used to be less than 100 yuan a month, and now our pay is over 200 yuan a month. We also have medical insurance."

Although Wu Quanmin is the "boss," workers of Jiangsen Plant like to informally call him "Ah Quan" whenever he visits the plant. This reporter recently had a long talk with him. During the talk, which lasted for the entire morning, Ah Quan revealed something very interesting, which, to sum up, is: Rural enterprises today have a new "capacity."

First of all, they have the "capacity" for all sorts of productive businesses. He said: Rural enterprises' operating mechanisms are very flexible and they are getting increasingly stronger. Because of this, I have the courage to try all businesses.

Second, they have the "capacity" for developing sizable group enterprises. Ah Quan said: "This is the trend of economic development. Being a group enterprise has many advantages. Enterprises within the group can loan each other money, support each other in production, and provide each other with information. Moreover, there is more room for restructuring production or product mixes. This is why I do not feel the purchase of the No. 17 Plant was a burden."

Finally, they have the capacity for solving problems for society. Before its problems were resolved, the No. 17 Plant was always a local "headache." In fact, for rural enterprises like Jiangchuan, they are thinking of how their businesses can benefit society while making a profit.

Indeed, after rural enterprises have gone through their embryonic period in which people look at them with wariness, they certainly will usher in a period of maturity in which people will look upon them with respect.

East Region

Chairman Meng Fulin Addresses Anhui Congress *OW2002111393 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 16 Feb 93*

[From the "Provincial Hookup" program]

[Text] The Eighth Anhui Provincial People's Congress Standing Committee held its first session yesterday in Hefei.

Chairman Meng Fulin chaired the meeting.

The session conveyed and studied the central leading comrades' expositions on the system and work regarding the people's congress, and studied the Constitution and local organization laws. The session also discussed the outlines of the provincial people's congress standing committee's work for 1993.

In a speech at the closing of the session, Chairman Meng Fulin said: The recently closed First Session of the Eighth Anhui Provincial People's Congress elected 60 of our comrades to form the provincial people's congress Standing Committee. This is a trust conferred to us by the people of the whole province; they also have great expectations of us. We feel deeply that we are shouldering a grave responsibility. We are determined to be united as one, to serve as a link between the past and the future, to do actual work, to liberate the mind, to actively explore, and to realistically perform the people's congress' work. We definitely will not disappoint the provincial people's congress and will live up to the expectations of the Anhui people. We will firmly remember that powers have been delegated by the people, and that all powers belong to the people. While executing administrative powers, we should always be concerned with and reflect the masses' rights and wishes. We should display the provincial people's congress standing committee's work under the supervision of the provincial people's congress deputies and the people of the whole province. We should rely on the intelligence and power of all the deputies and people, do our utmost while discharging our duties, be honest concerning our own initiatives, properly execute our powers stipulated in the Constitution and laws, and ensure that the people are the masters of their own affairs.

In his speech, Meng Fulin highly commended the work of the Seventh Anhui Provincial People's Congress Standing Committee. He pointed out: The Seventh Anhui Provincial People's Congress Standing Committee has consistently and unremittingly been guided by the theory on building socialism with Chinese characteristics and by the party's basic line; has strictly rallied around the central task of economic construction; has earnestly executed its duties and administered its powers stipulated in the Constitution and laws; has boldly experimented; has ventured and forged ahead;

and has made important contributions to the development of Anhui's political, economic, and various social endeavors.

On behalf of the Eighth Anhui Provincial People's Congress Standing Committee, he extended lofty respects and heartfelt gratitude to all members of the Seventh Anhui Provincial People's Congress Standing Committee. He sincerely hoped that they would continually pay attention to and support the people's congress's work.

Commenting on the Eighth Anhui Provincial People's Congress Standing Committee's work, Meng Fulin said: The five-year term of the Eighth Anhui Provincial People's Congress Standing Committee is a very crucial five-year period for all the people across Anhui to thoroughly implement the guidelines of the 14th CPC National Congress; to accelerate the pace of reform, opening up, and the socialist modernization drive; and to realize the magnificent objectives of the Eighth Five-Year Plan and the 10-Year Program. We are facing a mission that is glorious but arduous, and are shouldering a very grave responsibility.

Under the Anhui provincial party committee's leadership, and proceeding from the achievements scored by the previous provincial people's congress Standing Committee, we should continually make further efforts, venture and forge ahead, raise the provincial people's congress Standing Committee's work and construction to a higher level, and improve our roles as local state administrative organs.

Meng Fulin stressed: The Eighth Anhui Provincial People's Congress Standing Committee should uphold five tasks as follows: First, it should be persistently guided by the theory on building socialism with Chinese characteristics and by the guidelines of the 14th CPC National Congress; unremittingly implement the party's basic line; and earnestly execute its duties and administer its powers as entrusted by the Constitution and the law. Second, it should unremittingly further the studies and promulgation of the people's congress system. Third, it should perseveringly and properly perform the people's congress' work, and enhance the the people's congress' role in reform, opening up, and economic construction. Fourth, it should steadily make progress in its self-development. Fifth, it should uphold and relying on the party's leadership, it should correctly and appropriately handle its relations with the government, the provincial higher people's court, and the provincial people's procuratorate; properly handle its working relations with people's congresses at the city, county, township, and town levels; and properly handle the relation between doing a good job in people's congress work and organizationally strengthening the people's congress' organs at various levels. While advancing toward a common goal, they should play their respective roles; strive to consolidate and develop favorable conditions throughout Anhui; enhance Anhui's economic progress and construction in the legal system among various nationalities;

and more expeditiously and more efficiently promote the socialist spiritual civilization drive.

Meng Fulin said finally: We must actively, comprehensively, and correctly implement the guidelines of the 14th CPC National Congress, and thoroughly implement the guidelines of the Eighth Enlarged Plenary Session of the Fifth Anhui Provincial Party Committee. Holding high the great banner of building socialism with Chinese characteristics under the Anhui provincial party committee's leadership, we earnestly execute our duties and administer our powers entrusted by the Constitution and laws; conscientiously fulfill the resolution adopted at the First Session of the Eighth Anhui Provincial People's Congress; liberate the mind; seek truth from the facts; perform concrete tasks in an down-to-earth manner; be united and forge ahead; and make due contributions to raising Anhui's economy to a higher level.

Attending the session were vice chairmen of the provincial people's congress Standing Committee including Shao Ming, Liu Guangcai, Lu Shengdao, Wu Changqi, Jiang Zehui, and Chen Qiyu.

Attending the session as observers were Wang Yang, vice governor of the provincial people's government, and Han Yunping, president of the provincial higher people's court.

Fu Xishou, Others on Anhui Economic Development

OW2002010693 Beijing XINHUA in English
0048 GMT 20 Feb 93

[Text] Hefei, February 20 (XINHUA)—The Maanshan Iron and Steel Complex, a major state-run firm in east China's Anhui Province, will issue A shares and B shares later this year that will also be listed on the Hong Kong stock exchange.

The Hong Kong listing is one of the steps Anhui will take to realize its economic targets for 1993.

The provincial government expects a 13 percent growth in local gross production this year, which will include a 3.5 percent increase in agricultural output.

With 80 percent of its population in agriculture, the province's gross product output was valued at 70 billion yuan (13 billion U.S. dollars) in 1992, 17 percent higher than the previous year.

Fu Xishou, governor of Anhui, said that this year, the province will continue to emphasize agriculture, adjust industrial layout according to the dictates of the market and open wider to the outside world.

Wang Zhaoyao, vice-governor in charge of agriculture, said that the development of agriculture will focus on expanding planting areas of high-quality rice and cultivating more plant-eating animals and aquatic products.

Xu Qing, director of the provincial economic committee, said the major task for the local industry is to improve economic efficiency.

The province plans to invest 24 billion yuan this year in fixed assets, with 2.8 billion yuan of that in technical renewal.

It also plans to put into production some 1,500 new products.

Meanwhile, the province is to deepen experiments with the share-holding system, which is now practised by some 160 local enterprises.

The province will also work to set up a market system and quicken the pace of price reforms. It plans to loosen controls on markets for agricultural products and raw materials, including those for coal, steel, cement and oil products.

In addition, Anhui plans to approve 1,000 more overseas-funded enterprises this year, with an overseas investment of about 450 million U.S. dollars.

The province approved 710 overseas-funded enterprises last year and increased its import and export value by 29.4 percent compared with the previous year.

The officials said that Anhui will also develop international tourism by promoting such local tourist attractions as Huangshan mountain.

Anhui Makes Progress in Technical Projects

OW2002014093 Beijing XINHUA in English
0117 GMT 20 Feb 93

[Text] Hefei, February 20 (XINHUA)—East China's Anhui Province imported 380 tech projects involving 203 million U.S. dollars last year, 2.3 times the figure of 1991.

The increase rate, much higher than the country's average, set a record in the history of the province.

Meanwhile, the tech export value, 32 million U.S. dollars, was 52 percent up over the previous year.

The import tech projects covered the areas of light industry, textiles, electronics, transportation, chemicals, telecommunications, tobacco production, metallurgy and agriculture.

Local officials noticed that more patented technological items were imported instead of complete sets of equipment and the province has developed more channels to get foreign investment and loans.

Meanwhile, the province has developed 30 overseas tech markets to promote sales of local technological projects, including seven new ones in such countries as South Africa, Vietnam, Russia, Kenya and the Czech Republic.

Jiangsu Congress Standing Committee Session Opens

OW1902123693 Nanjing Jiangsu People's Radio Network in Mandarin 1015 GMT 15 Feb 93

[From the "News" program]

[Text] The 32d session of the Seventh Jiangsu Provincial People's Congress Standing Committee opened in Nanjing today.

Attendees at the plenary session in the morning heard:

- An explanation by Wang Jiecheng, acting secretary general of the provincial people's congress Standing Committee, on issues relevant to the First Session of the Eighth Jiangsu Provincial People's Congress;
- A report by Wang Wulong, director of the provincial planning and economic commission, on the execution of Jiangsu's 1992 national economic and social development plans and views concerning the formulation of Jiangsu's 1993 national economic and social development plans;
- A report by Zhang Kaihui, deputy director of the provincial financial department, on the execution of Jiangsu's 1992 budget and on the formulation of Jiangsu's 1993 budget;
- An explanation by Wu Donghua, director of the foreign affairs office under the provincial people's government, on the establishment of friendly ties between Jiangsu and Pakistan's Punjab state; and
- Explanations by Han Peixin, chairman of the provincial people's congress Standing Committee, and Zhao Hong, chief procurator of the provincial people's procuratorate, on personnel appointments and dismissals.

Jiangsu entered a new stage of fast economic development in 1992, according to the report on the execution of Jiangsu's 1992 national economic and social development plans and views concerning the formulation of Jiangsu's 1993 national economic and social development plans, guided by the important talks that Comrade Deng Xiaoping gave during his southern China tour and the guidelines of the 14th Party Congress. It is estimated that the GNP has increased 27 percent over that of the preceding year, reaching 183 billion yuan, and that national incomes have increased 28 percent over that of the preceding year, reaching 158.2 billion yuan. Both have exceeded the targets set by the fifth session of the seventh provincial people's congress. According to the preliminary plan, the 1993 GNP will be at least 12 percent over that of 1992. This plan will be presented to the First Session of the Eighth Jiangsu Provincial People's Congress for examination and approval.

According to the report on the execution of Jiangsu's 1992 budget and views concerning the formulation of the 1993 budget, Jiangsu did a good job in executing its 1992

budget. The province's revenues increased 17.27 percent, reaching 15.22 billion yuan and exceeding the budgetary revenues of 1992.

Chairing and addressing the opening session, Han Peixin said: The report about the 1993 plan and the report concerning views of formulating the budget, which the provincial government have submitted to this meeting to examine, have a close bearing on Jiangsu's reform and opening up programs and its economic and social development projects. We must examine these reports seriously and come up with positive views and suggestions. This meeting is asked to make a decision regarding the proposal that the first session of the eighth provincial people's congress be held in Nanjing in mid-April 1993.

Li Zhizhong, Xing Bai, Li Qingkui, Zhang Yaohua, Tang Nianci, and Qin Jie, vice chairmen of the provincial people's congress Standing Committee, attended the meeting.

Jiangsu Vice Governor Ji Yunshi; Li Peiyou, president of the provincial higher people's court; Zhao Hong, chief procurator of the provincial people's procuratorate; and chairmen of standing committees of people's congresses of 11 cities and some counties and districts attended today's session as observers.

Firms To Prospect for Onshore Oil in Jiangsu

*OW1902221193 Beijing XINHUA in English
1509 GMT 19 Feb 93*

[Text] Beijing, February 19 (XINHUA)—A contract was signed here today by the exploration and development company under China National Petroleum Corporation (CNPC) with Shell Exploration (China) Ltd. and Pecten Orient Company to prospect for petroleum in the eastern part of Subei Basin in China's Jiangsu Province.

A spokesman for CNPC said the contracted area covers 8,930 sq [square] km and is located at Yancheng, Baiji, Haian and some other coastal areas in northern Jiangsu Province. During the seven-year contracted prospecting term, Shell China and Pecten Company will take the risk and cost, collect and handle seismic data for a few thousand kilometers, and drill a number of prospecting wells.

When oil and gas fields are discovered, joint exploitation and production will be carried out by both the Chinese and foreign sides, the spokesman added.

Geological conditions show that the contracted area represents high petroleum potential, and both Chinese and foreign sides are optimistic about the prospecting in this area.

Shell China and Pecten Company both belong to the Royal Dutch Shell Group. This is the first time for the group to participate in the exploration of China's

onshore petroleum resources, and this is also the fifth onshore oil exploration contract China has signed with foreign companies.

Jiang Chunyun on Industrial-Communication Production

SK2102080493 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 19 Feb 93

[Text] At the recent briefing on the situation of economic work, Jiang Chunyun, secretary of the provincial party committee, voiced his important opinions. He stressed that efforts should be made to further emancipate minds and to enhance the sense of pressing, mission, and responsibility. We should have new ideas, measures, and action in the fields of readjusting the structure, making technical progress, improving the management, deepening the reform, and building leading bodies. Efforts should be made to mobilize the cadres, staff members, and workers of industrial and communications enterprises throughout the province to resolutely do a good job in having their quality, grade, and level to be further improved.

Jiang Chunyun pointed out: In improving the economy to a new level every several years, we should first improve the structural readjustment to a new level. The state-owned enterprises should take the lead in making a breakthrough in this regard, township enterprises should also intensify their readjustment, and all enterprises should concentrate their efforts on readjusting their structure and do a good job in implementing the readjustment targets and scoring results in the readjustment.

Jiang Chunyun stressed: We should conduct technical renovations and grafting on a large scale. Enabling science and technologies to be the first productive force has not been fully discerned or understood by all comrades. Many comrades regard them as the first productive force in words, have written them as the first important items in the documents, but have not actually put them on the first position of their practical work. We must formulate special measures for technical renovations and grafting in the fields of leadership, work, policies, and input. We should ensure the general renovation of the existing industrial enterprises, including township ones, throughout the province within three or five years. The leading or crucial renovation should be carried out among large and medium-sized enterprises. This represents the province's strategic measures that can decide its fate of economic development. Therefore, all-out efforts should be made to vigorously and particularly implement these measures.

Jiang Chunyun said: Enterprise management and technical progress are both important and not a single one of them can be dispensed with. Both of them should be carried out simultaneously and a good job should be done in grasping both of them in a down-to-earth manner. All enterprises should know well or master the international standards and specifications so as to enable

the enterprise management to be connected with the international conventions as soon as possible.

Jiang Chunyun stressed: We should reinforce the strength of reform and opening up to enhance the vigor of enterprises and continuously enforce the systems of stockshare and cooperative stockshare. In 1993 one third or more the state-owned enterprises should enforce the stockshare system. All collectively-owned enterprises and township ones should enforce in an overall way the cooperative stockshare system. We should win over more enterprises to openly issue their stocks or to join in the stock market. A good job should be done in continuously shifting the internal business mechanism of enterprises and conducting reforms in the three systems. Meanwhile, efforts should be made to further bring about a change to the governmental function.

Jiang Chunyun pointed out: The key to determining whether enterprises can become higher in their grade and level lies on their leading bodies. We should appraise the achievements scored by the leading bodies and readjust or reinforce them in line with the demands of having industrial enterprises achieve a new level. We should achieve in having able personnel be promoted and incompetent ones be dismissed. In particular, the higher authorities should assign their personnel to help the industries, trades, and enterprises that have suffered serious losses and been passive in work change their backward outlook by the given date.

Reportage on Shanghai CPPCC Committee Session

Wu Bangguo Attends Opening

OW2002093593 Shanghai People's Radio Network in Mandarin 2300 GMT 14 Feb 93

[From the "Morning News" program]

[Text] The First Session of the Eighth Shanghai Municipal Committee of the Chinese People's Political Consultative Conference [CPPCC] opened ceremoniously at the central hall of the Shanghai Exhibition Center yesterday afternoon.

Wu Bangguo, member of the CPC Central Committee Political Bureau and secretary of the Shanghai Municipal CPC Committee; Su Buqing, vice chairman of the CPPCC National Committee; Huang Ju, mayor of Shanghai; and other leading comrades of the party, government and army attended the meeting upon invitation.

A total of 608 members of the municipal CPPCC committee, who represent various nationalities, parties, mass organizations and circles, happily attended the meeting with high spirits.

Chen Tiedi, executive chairman of the presidium of the session, delivered the opening speech. She expressed the hope that members of the municipal CPPCC committee

would, under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, treat each other with all sincerity and share weal and woe, closely center around the central task of economic construction, implement the policy of building both spiritual and material civilizations, seriously carry out the role and functions of political consultation and democratic supervision of the CPPCC with a high sense of historical responsibility, give full play to democracy, actively take part in political affairs, bring the wisdom of all members into full play, offer more suggestions and opinions, and strive to turn this session into a meeting to enhance democracy and unity.

Mao Jingquan, vice chairman of the Seventh Shanghai Municipal CPPCC Committee, reported on the work of the Standing Committee of the Seventh Shanghai Municipal CPPCC Committee at the meeting. He pointed out: The key to doing the work of the CPPCC well lies in firmly adhering to the party's basic line, attaching importance to serving economic construction, and continuously strengthening our determination in carrying out reform and opening up.

Yang You, vice chairman of the Seventh Shanghai Municipal CPPCC Committee, made a report on handling the motions of members from the municipal CPPCC committee at the meeting. (Endall) 142300 TCY/robson sr992002.012 st 20/0936z Feb

Chen Tiedi Elected New Chairman

OW2102211593 Beijing XINHUA in English
1443 GMT 21 Feb 93

[Text] Shanghai, February 21 (XINHUA)—A new chairman was elected today for the municipal committee of the Chinese People's Political Consultative Conference (CPPCC) of Shanghai.

Chen Tiedi, 57, was voted to the post during the first session of the eighth municipal committee of the CPPCC convened today. She is also a member of the Standing Committee of the municipal committee of the Communist Party of China (CPC).

Chen had been a teacher in Tongji University in the city. In 1983, she stepped into the political arena.

Wu Bangguo Chairs Congress Presidium Meeting

OW2002091293 Shanghai People's Radio Network in Mandarin 2300 GMT 15 Feb 93

[From the "Morning News" program]

[Text] The presidium of the first session of the 10th municipal people's congress held its first meeting on the morning of 15 February. Wu Bangguo, executive chairman of the presidium, presided over the meeting.

Wu Bangguo, Chen Liangyu, Ye Gongqi, Sun Guizhang, Tan Jiazen, Ye Shuhua, Hu Chuanzhi, Gu Nianzu, Chen Mingshan, Hu Zhengchang, and Wu Zhaoguang

were elected executive chairmen of the presidium through approval by acclamation at the meeting.

The meeting approved the namelist for the groups of executive chairmen of the first session of the 10th municipal people's congress.

The meeting decided to appoint Feng Guoqin, Xu Zuxiong, Shen Minkang, Yu Yongliang, Mao Zhiqiong, Luo Shiqian, Gao Wenkui, and Gong Xinhan deputy secretaries general of the first session.

The meeting listened to a briefing by Gao Wenkui, deputy secretary general of the first session, on the draft agenda for the first session, and approved the agenda.

The meeting listened to a briefing by Xu Zuxiong, deputy secretary general of the first session, on the draft namelist of those who are to be present as observers at the first session of the 10th municipal people's congress, and approved the namelist.

The meeting listened to a briefing by Gao Wenkui, deputy secretary general of the first session, on the draft election method to be adopted by the first session, examined and discussed the draft election method, and decided to submit it to all the delegations to the first session for consideration.

The meeting adopted the methods for the first session to approve decisions and resolutions.

The meeting decided that the deadline for motions to be jointly put forward by at least 10 deputies to the first session of the 10th municipal people's congress is 1000 [0200 GMT] 19 February 1993. The handling of such motions shall not exceed the powers of the municipal people's congress.

Huang Ju Reelected to Shanghai Mayoral Post

OW2102110393 Shanghai People's Radio Network in Mandarin 1000 GMT 21 Feb 93

[("Latest news" by unidentified station reporter; from the "News and Weather" program)]

[Text] The First Session of the 10th Shanghai Municipal People's Congress began to hold its fourth plenary meeting at 0630 GMT today. Exercising their sacred duties bestowed by the people, the deputies, by secret balloting, elected Ye Gongqi chairman of the 10th Shanghai Municipal People's Congress Standing Committee, Huang Ju as mayor of Shanghai, (Hu Ruifang) as president of the Shanghai Municipal Higher People's Court, Ni Hongfu as chief procurator of the Shanghai Municipal People's Procuratorate, and Gao Wengui as secretary general of the 10th Shanghai Municipal People's Congress Standing Committee.

The afternoon session, which was attended by 862 of the 890 deputies, was chaired by Wu Bangguo, executive chairman of the congress.

Shanghai Expands Foreign Scientific Cooperation

*OW1902124493 Beijing XINHUA in English
0934 GMT 19 Feb 93*

[Text] Beijing, February 19 (XINHUA)—Shanghai, China's leading industrial center, has made rapid progress in foreign co-operation in the field of science and technology, according to the newspaper "INTERNATIONAL BUSINESS".

A survey report shows that 80 percent of the research institutions in the city already have contacts with foreign organizations and 35 percent of them co-operate with research organizations in 70 countries and regions.

The paper noted that such co-operation is being carried out in the fields of academic exchanges, personnel training, basic science research, urban communications, airplane manufacture and the use of nuclear power for civilian purpose.

Last year Shanghai sent 650 delegations—a total of over 2,000 scientific workers—overseas to participate in international scientific activities.

The paper said international co-operation has helped Shanghai's high-tech products to compete in the international market.

One example is the Shanghai Research Institute of Sciences, which co-operates with foreign business people in exporting more than 60 high-tech products.

Zhejiang Opens More Businesses Overseas

*OW2202020893 Beijing XINHUA in English
0153 GMT 22 Feb 93*

[Text] Hangzhou, February 22 (XINHUA)—East China's Zhejiang Province opened 56 businesses overseas last year, increasing the number of such businesses in the province to 112.

Incomplete statistics show that the overseas businesses handled an export volume of more than 200 million U.S. dollars for the province in 1992.

Provincial officials say that this year, Zhejiang will continue to encourage local businesses to set up enterprises overseas, especially the ten foreign trade companies whose annual export value surpasses 100 million U.S. dollars each and some competent enterprises, such as the Xihu electronics group company.

The Xihu electronics group company set up a Sino-Korean joint venture in the Republic of Korea in 1989 and by the end of 1992 it had opened a color TV set plant in a South African country.

Zhejiang Takes Steps To Protect Forest Resources

*OW2002121193 Beijing XINHUA in English
0859 GMT 20 Feb 93*

[Text] Hangzhou, February 20 (XINHUA)—East China's Zhejiang Province has protected local forest resources by establishing forest parks as new tourism attractions in the past years.

In 1992, Zhejiang set up 20 new forest parks, increasing its total of state and provincial-level parks to 32, more than that of any other provinces in the country.

Zhejiang, rich in forests and mountains, has set ambitious targets to cover the province's mountains with forests before 1995.

While paying attention to afforestation, forest protection and exploration of forest resources, the province has also set up special forest parks in a bid to develop forest tourism.

Forest parks in the province now cover an area of about 162,000 hectares, and include four state forest parks.

More than six million domestic and overseas tourists visited the province's forest reserves last year, according to local officials.

Central-South Region**Guangdong's Xie Fei Addresses Rural Work Meeting**

HK2202071193 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 12 Feb 93

[Text] This morning, Xie Fei, member of the CPC Central Committee Political Bureau and Guangdong provincial secretary, made an important speech at a provincial rural work meeting. In his speech, Comrade Xie Fei stressed: Agriculture is an important basis for realizing modernizations in our province. Without agricultural modernization, the modernization drive in our province will become empty talk.

He said: Since reform and opening up, economic development in our province has been fairly fast, and there has been no sharp fluctuation. This has been inseparable from our efforts to maintain the stability of our rural policy, and to attach importance to agriculture which is our foundation. Xie Fei continued: With the rise of the level of economic modernization as a whole, the proportion of agriculture in all undertakings will be gradually reduced. However, this does not mean that the fundamental status of agriculture can be weakened.

In his speech, Xie Fei emphasized: Only by taking the establishment of market economic system as our objective and improving various kinds of reforms can we truly consolidate the fundamental status of agriculture. He pointed out: The tendency of neglecting agriculture has,

fundamentally speaking, reflected that compared with the primary and secondary industries, the efficiency of agriculture is low in the course of developing market economy. Therefore, we must find the solution for this problem in increasing economic efficiency of agriculture.

Xie Fei added: We must solve the following problems in light of the situation in our province:

1. It is necessary to optimize our agricultural structure and develop agriculture of high yield, fine quality, and high efficiency to increase our rural economic efficiency as a whole.
2. It is necessary to establish and improve the rural socialized service system. It is necessary to gradually promote rural shareholding cooperative economy. It is necessary to further expand opening up to increase the level of agricultural development.
3. It is necessary to truly strengthen leadership over rural work.

Provincial Governor Zhu Senlin also spoke at today's meeting.

Shenzhen Privater Sector Tax Receipts Increase

HK2102080693 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 21 Feb 93 p 6

[Report by Zhang Xingbo: "More Tax From Private Sector"]

[Text] Shenzhen—The private sector in the Shenzhen Special Economic Zone experienced outstanding growth in tax revenues last year.

The Shenzhen Tax Bureau said the city's self-employed labourers and private enterprises paid taxes totalling 314 million yuan (\$57 million) last year, registering an increase of 59 percent over the previous year.

"Taxes paid by the private sector accounted for 10 percent of the city's total tax revenue," said tax bureau official Xu Hao.

Xu attributed the increase to the booming economic environment in the city. The marked rise in the number of registered private taxpayers in the city was another main reason for the increase.

According to Xu, newly-registered taxpayers increased by more than 6,800 last year, enlarging the source of tax revenue.

To ensure successful tax collection, tax administration offices at various levels strengthened control over tax collection and adopted effective ways to cut tax losses.

Tax branches in the newly-established Baoan and Longgang districts reinforced their inspection of tax payments by scattered or mobile private businesses.

Hunan Secretary on Propaganda, Ideological Work

HK2202121593 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 15 Feb 93

[Summary from poor reception] Yesterday morning [15 February], provincial CPC Secretary Xiong Qingquan attended the provincial conference of propaganda department heads and delivered an important speech. He stressed the need to attach great importance to and strengthen leadership over propaganda and ideological work under the current situation. He said that propaganda and ideological work must serve and ideologically ensure reform and opening up and economic development, and especially the establishment of the socialist market economic system, and that it can only be strengthened and must not be weakened. He said that propaganda and ideological work involves all fields and that therefore great importance must be attached to it.

Speaking on the need to strengthen the leadership over propaganda and ideological work, Secretary Xiong called on CPC committees to emancipate the mind, seek truth from facts, and so forth. He said that in carrying out propaganda and ideological work, it is necessary always to stick to the principle of serving the people and socialism. He said it is necessary to pay good attention to education about patriotism, socialist democracy and the rule of law, and so forth. He said the key to propaganda and ideological work is to do practical jobs and create necessary conditions for it. He called on CPC committees and governments at all levels to do their best to help propaganda and ideological workers resolve their problems.

Other participants at the conference included such provincial CPC and government leaders as Yang Zhengwu, Shen Ruiting, Zheng Peimin, and Pan Guiyu.

Southwest Region

Guizhou's Liu Zhengwei Views Congress Elections

HK2202021193 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 15 Feb 93

[Text] The Guizhou Provincial CPC Committee's Work Conference on Elections for the New Term of County and Township People's Congresses ended in Guiyang yesterday [15 February]. The conference was presided over by provincial CPC Deputy Secretary Wang Chao-wen. Liu Zhengwei, secretary of the provincial CPC committee and chairman of the Standing Committee of the provincial people's congress, made an important address. He said: This year's elections for the new term of county and township people's congresses are directly bound up with whether or not the entire province can quicken the pace of reform and opening up and economic construction and quadruple the GNP ahead of schedule. Relevant departments at all levels across the province must attach importance to and make a success

of work for the elections as a central task in keeping with the relevant spirit of the central and provincial authorities. CPC committees at all levels must attach great importance to work for the elections, fully carry forward democracy, and let the elections proceed in accordance with law. All localities must hand over the overall planning and various policies to the masses and to delegates and correctly concentrate them at all times on the basis of full discussion by the masses so that their opinions can be highly concentrated and unified. Liu Zhengwei also said: CPC departments at all levels must care for the livelihood of the masses, take seriously the questions they raise, and promptly help them properly resolve all difficulties and problems. The forthcoming elections will proceed under a new situation. All localities must work hard to study various laws and regulations and must act in the elections completely in accordance with what is provided for in laws and regulations. In the elections, CPC committees and governments at all levels must guard against bureaucracy, conscientiously strengthen the CPC's leadership, carry forward democracy, act in accordance with law, and make a success of the work for the forthcoming elections. Those present at the conference also included Wang Anze, Liang Wanggui, and Chen Yuanwu, vice chairmen of the provincial people's congress; members of the provincial CPC committee's leading group for elections for the new term of county and township people's congresses; and relevant persons in charge of various prefectures, autonomous prefectures, and cities.

Tibetan Measures Helping Rural Women Progress

OW2002022193 Beijing XINHUA in English 0158 GMT 20 Feb 93

[Text] Lhasa, February 20 (XINHUA)—The government of the Tibet Autonomous Region is working hard to help women in rural and pastoral areas to learn more and contribute more to economic construction.

Women in such areas make up more than a half of the region's total workforce. According to officials from the Tibet Women's Federation, by the end of last year, with the help of local governments at various levels, 13,816 women from the region's rural and pastoral areas had learned to read and write and another 49,193 females from these areas had graduated from various skill training courses.

For instance, in Kanzhu village, Namling County in Xigaze Prefecture, women use the techniques they have mastered from various training courses to carry out scientific herding. Last year, the survival rate of newborn animals reached 97 percent and the livestock herds grew by 2,091 head.

In addition, 11 women from two townships of Nagqu County in the same prefecture have opened a textile workshop for producing Tibetan carpets, girdles and tourism souvenirs. Their products earned them over 100,000 yuan last year.

Meanwhile, the local women's federation and its branches at different levels encourage women from rural and pastoral areas to plant more trees.

Baima Choi, a 26-year-old capable woman in Nyingchi County, planted vegetables, fruit trees, raised pigs and processed food products with her husband. The couple purchased two trucks to handle transport last year. As a result, the family earning expanded to 43,000 yuan in the year.

'Huge' Gun, Ammunition Seizures in Yunnan

HK2202104893 Hong Kong AFP in English 1034 GMT 22 Feb 93

[Text] Beijing, Feb 22 (AFP)—Chinese police seized huge numbers of guns, grenades and other weapons and closed 87 illegal gunmaking factories in a crackdown in the southern province of Yunnan, an official newspaper reported Monday.

Police arrested 312 criminal suspects and seized 16,178 guns and 11.2 tonnes of explosives during the four-month crackdown from September to December last year, the News Digest said.

They also took in 1,182 hand grenades and anti-tank grenades and 72,731 rounds of ammunition, the newspaper said, quoting the Yunnan Legal News.

The massive seizures give an indication of the scale to which gunrunning has grown in freewheeling southern China, whose crime syndicates also run a major trafficking route for heroin exports from Southeast Asia.

The authorities "achieved important results in launching the all-out specialized struggle to confiscate guns and fight drugs," the newspaper said.

More than 1.8 tonnes of high-grade heroin and nearly 200 kilograms (more than 400 pounds) of opium were seized in the four-month period, it said.

The Chinese government has acknowledged the return of powerful feudal chiefs who control drug empires with private armies in remote southern border areas.

Organized crime with overseas links are making increasing use of China as a route to transport drugs from the Golden Triangle poppy-growing area, where Thailand, Burma and Laos meet.

The British government in Hong Kong, which borders southern China, has begun a dialogue with Chinese police on cooperation to control the inflow of guns and drugs into the colony.

Yunnan Secretary Addresses Bank Directors Meeting

HK2002074193 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 12 Feb 93

[Text] At a provincial meeting of bank directors and managers held yesterday, provincial party Secretary Pu Chaozhu pointed out: Financial departments must serve the establishment of a socialist market economy, ascertain their positions accurately, and give proper play to their macroscopic role as a sluice gate of the state. They must control where the credit funds are supplied, enliven circulating funds, and accumulate and raise funds for key construction projects.

Pu Chaozhu added: Financial work must take the spirit of the 14th CPC National Congress as its guide, resolutely and unwaveringly take economic construction as its center, and firmly foster a guidance thinking of submitting itself to and serving economic construction. Banks must take the initiative in actively helping and supporting enterprises to steer toward the market and transform their operational mechanisms. They must participate in fair market competition. In the meantime, they must make use of the means of the financial system such as deposits, interests, and exchange rates to accumulate social funds to guarantee investments in key projects including transportation, energy, water conservancy, telecommunications, and so on. Besides, they must support the development of township and town enterprises, and tertiary industry as well. This is the foundation of all-round development of our national economy, and the key to strengthening the staying power for development.

Pu Chaozhu continued: With a spirit of reform, banks must establish a financial system which conforms with the demand of the socialist market economy. They must gradually turn themselves into financial entities run as enterprises which are characterized by independent operation, assume responsibility for loss and profits, balance their capital, take the risk independently, exercise self-restraint, and promote self-development. They must not only play the role as general accountant, or cashier of the society during the period of product economy, but also serve as a sluice gate of the state in macroscopic control over the economy through their power for regulating general amount of credits, readjusting interest rates, and issuing banknotes.

Yunnan To Increase Agricultural Credits in 1993

HK2002063593 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 13 Feb 93

[Text] Our province's bank of agriculture last year issued a total of 12.4 billion yuan in credits for agriculture, township and town enterprises, and for the purchase of farm and supplementary products, an increase of 3.3 billion yuan over that of the previous year, and thereby made a contribution to the development of agriculture and of the rural economy.

In planning for this year's credits, the bank will further optimize the additional loans, support the superior and limit credit line to the mediocre, and ensure credits to principal needs. Its specific methods are:

1. Ensure, that agricultural inputs will rise steadily. At the moment, it is necessary to provide priority support to preparatory and spring plantation in farming.
2. Vigorously support the development of township and town enterprises. In accordance with the provincial party committee's call for the emancipation of the mind, easing of restrictions, active support, and accelerated growth, the bank of agriculture and credit cooperatives should voluntarily take part in planning, investigations, assessments, and other undertakings, and provide active support based on local conditions.
3. Vigorously support the development of tertiary industry in the countryside by increasing credit inputs into the circulation domain and other tertiary industries.
4. Support a number of influential backbone enterprises.
5. Further support the development of collective, individual, private, and foreign-funded enterprises.
6. Continue to do a good job in comprehensive rural development and poverty alleviation work.

North Region

Beijing To Further Improve Market Network

OW1902124593 Beijing XINHUA in English 0925 GMT 19 Feb 93

[Text] Beijing, February 19 (XINHUA)—A top government official in the Chinese capital city has called on all municipal departments to make major efforts to help improve the market network.

Wang Baosen, deputy mayor of Beijing, said here today that in the past few years Beijing has set up many consumer goods markets, technological markets and labor markets. However, there is still a gap between Beijing and the nation's coastal open cities in the development of large markets for the means of production, real estate and financial businesses.

To develop Beijing's market economy, Wang said, Beijing should give priority to developing markets for all means of production. In addition, the city is required to improve the regulations concerning the management of markets and trading.

The city will also set up futures markets and brokers offices for futures trading.

The city plans to establish the Beijing capital accommodation center and set up the Beijing bonds market within this year.

The deputy mayor said Beijing will set up an accident insurance company, life insurance company, and some foreign-funded banks and financial companies.

Meanwhile, the city encourages investment in its real estate industry from other parts of the nation.

So far, Beijing has established nearly 1,000 consumer goods markets, labor markets, means of production markets and other markets.

Last year, the amount of inter-bank loans from the fund swap market came to 33.43 billion yuan and the transaction volume of Beijing's technology market, the largest in China, has reached 3.13 billion yuan.

Li Qiyan Urges Further Opening Up

HK1902152093 Beijing ZHONGGUO XINWEN SHE in English 1407 GMT 19 Feb 93

[Text] Beijing, February 19 (CNS)—The new mayor of Beijing, Mr. Li Qiyan, stressed today that Beijing must grasp the historical opportunity and expand its opening to the outside world.

Mr. Li said that there was an urgent need for the capital to open further and could not afford to miss the opportunity to do so. Foreign investors are seeking greater opportunities in China, especially in Beijing. Beijing has developed a diversified pattern of opening to the outside world. Mr. Li reiterated that the main tasks for Beijing's opening this year is the introduction of more foreign capital and the setting up of more three type foreign-funded enterprises. The city, he said, should direct foreign capital into the adjustment of the industrial structure, the invigoration of the state-owned medium- and large-sized enterprises and the development of agriculture, energy, infrastructural facilities and tertiary industry.

Beijing Residents' Affluence Increasing

OW1902124093 Beijing XINHUA in English 0950 GMT 19 Feb 93

[Text] Beijing, February 19 (XINHUA)—Now every 100 households in Beijing, the Chinese capital, have 101.4 color TV sets, nearly doubling the figure five years ago.

Now every 100 urban households also own 109.5 refrigerators, 96.1 washing machines, 77.2 cameras and 41.7 video recorders, according to the latest official statistics. The city has a population of close to 10 million.

The statistics showed that per capita income in the urban areas of the city rose to 2,363 yuan in 1992, almost doubling the figure five years ago. The per capita income in rural areas reached 1,569 yuan, up 71.2 percent over the figure for 1987.

In the past five years, the average per capita income in the city has increased by 1.8 percent every year.

People are spending more money on housing and jewelry. Last year, households in Beijing spent an average of 133.7 yuan on housing and 62.8 yuan on jewelry. The figures are respectively 8.3 times and 9.2 times higher than those of five years ago. The city's per capita housing space grew to 11.98 sq m [square meters] last year.

Individuals' savings deposits in the city soared to 39 billion yuan by the end of 1992, increasing 30.2 percent over the beginning of the year.

The life expectancy of Beijing residents has reached 75.6 years. But there is only one doctor for every 1,961 residents. Beijing residents took in 85 g [gram] of protein and 98 g of fat per day last year.

The city's gross domestic product reached 70.72 billion yuan in 1992, 51.3 percent higher than five years ago.

Hebei Secretary Discusses Political, Legal Work

SK1902141793 Shijiazhuang Hebei People's Radio Network in Mandarin 2300 GMT 18 Feb 93

[Text] At an 18 February discussion with the delegates to the provincial political and legal work conference, Cheng Weigao, secretary of the provincial party committee and provincial governor, emphasized that public security, procuratorial, and judicial departments should change their ideas and succeed in the reform of their work in line with the demand for developing the socialist market economy so as to actively protect economic construction, reform, and opening up.

Cheng Weigao urged: In line with the demand for developing the socialist market economy, public security, procuratorial, and judicial departments should take the initiative in sorting out and revising the rules, regulations, policies, and laws that do not conform to the current new situation, protect the [words distinct] of the market economy, and help grass-roots enterprises eliminate their misgivings and difficulties. Meanwhile, they should succeed in their own reform and, in line with the principle of simplification of administration, unification, and high efficiency, streamline the higher levels and replenish the grass-roots levels. They should attach importance to improving the public security of large and medium-sized state enterprises, the three types of foreign-funded enterprises, township enterprises, and the vast urban and rural areas; conduct macro-regulation according to law; correctly [words indistinct]; and gradually channel the market economy to the track of the legal system.

Speaking on building the contingent of political and legal workers and improving its quality, Cheng Weigao said: We should, on the one hand, make continuous efforts to train cadres and, on the other, conscientiously investigate and handle breaches of law and discipline. Meanwhile, we should continue to improve and strengthen the mechanism for supervision and restraint.

Cheng Weigao urged party committees and governments at all levels to show more concern and support for political and legal work so that public security, procuratorial, and judicial departments can shoulder the political responsibility of maintaining social stability.

Cheng Weigao Directs Wangdu County Economic Work

SK2102080793 Shijiazhuang Hebei People's Radio Network in Mandarin 2300 GMT 20 Feb 93

[Text] Cheng Weigao, secretary of the provincial party committee and governor of the province, went to Wangdu County to inspect and direct the economic work. During his inspection tours in the county, he pointed out that it is necessary for cadres to further emancipate their minds in accelerating the development of the county economy and to truly grasp the development and do practical deeds in the development. This is the content of his speech made at the first plenum of the Wangdu County People's Government.

Cheng Weigao pointed out in his speech: To develop the economy, first of all we should deal with the problems of emancipating minds and renewing the concepts. Efforts should be made to enhance the sense of cadres at all levels on the emergency and crisis of economic construction. To deal with this problem, first, we should determine whether cadres uphold the center of economic construction and concentrate their efforts on economic construction. Second, we should determine whether localities have employed cadres who know well the economy, are capable of management, truly grasp the economy, do practical deeds for the economy, and have scored achievements in their official career. Third, we should determine whether leading personnel dare to impose missions on cadres so as to enable them to assume responsibilities in the competition of the market economy. For example, in enforcing the financial responsibility system in rural areas to break the practice of eating from the same big pot, we may set forth the wages incomes of cadres in line with the progress of economic development and with the success or failure of economic development. Fourth, we should determine whether cadres dare to change the phenomenon of large organs with little service work; to conduct reforms among their organs; to allow a part of their personnel to open economic entities; and to enable their personnel to leave their organs to develop the commodity economy, and to join in the market contention and not in the official arena.

Cheng Weigao stressed in his speech: We should develop the economy in line with our local characteristics and make full use of the strong points and conditions of communications and geography to accelerate the economic development. In conducting the economic work at the county level, we should chiefly and successfully grasp the following three tasks: 1) A good job should be done in agricultural work and developing an agriculture with high yield, fine quality, and high benefits. Efforts

should be made to achieve overall development among agriculture, forestry, animal husbandry, sideline production, and fishery. 2) Efforts should be made to develop township enterprises. We will not become better-off without developing township enterprises. We should develop agricultural production on the one hand and develop township enterprises on the other hand. To this end, we should rely on Shijiazhuang city, Beijing Municipality, Tianjin Municipality, information, the state projects, funds, systems, and talented personnel. 3) Efforts should be made to grasp the production of agriculture and township enterprises simultaneously and a good job should be done in the family planning work and stabilizing the tenure of talented personnel.

Hebei Holds Township Enterprise Work Conference

SK2002100493 Shijiazhuang Hebei People's Radio Network in Mandarin 2300 GMT 18 Feb 93

[Text] The provincial township enterprise work conference opened in the capital city of Shijiazhuang on 18 February. Ye Liansong, executive vice governor, and Gu Erxiong, vice governor, gave speeches at the conference that morning. They pointed out the need to regard a faster development of township enterprises as a strategic task, to seize the opportunity, and to make earnest efforts to carry out practical work.

Ye Liansong emphasized: Township enterprise development has a very important significance in the endeavors of establishing the socialist market economy system; promoting the entire economic situation; strengthening and developing agriculture; increasing peasants' income, reducing their burdens, and enabling them to achieve a fairly comfortable life; and strengthening rural grassroots party organizations and spiritual civilization. For this reason, all prefectures, cities, counties, towns, and townships should assign leading cadres to attend to this work particularly. We must change our ideas and place township enterprises on a par with industry, agriculture, and financial work and exert great efforts to develop them. Meanwhile, we should emancipate our mind and establish the effective mechanisms that encourage cadres to develop township enterprises successfully. We should have the courage to generously award the comrades with outstanding contributions to local township enterprise development.

Vice Governor Gu Erxiong said: This year, township enterprises in our province should create 140 billion yuan in output value, accounting for 50 percent of Hebei's total product of society. They should also strive for the target of creating 150 billion yuan in output value. To achieve this, we should emancipate the mind, seize the opportunity, and work in a creative manner. We should persist in the development strategy of making breakthroughs in major areas. We should exert efforts to solve the problems in investment. Only when investment is increased can we have sufficient reserve strength and faster development. We should conscientiously solve the

problems concerning personnel. Our current urgent and most conspicuous need is the personnel capable of leading the operation of township enterprises and the scientific and technological and managerial personnel. We should adopt the shareholding system and the shareholding cooperative system, greatly facilitate the export-oriented economy, establish the markets for the essential elements of production, and improve the departments in charge of township enterprises.

Li Bingliang, deputy secretary of the provincial party committee, presided over the conference that morning. Attending were provincial leaders Yang Zejiang, Bai Shi, Zhang Runshen, and Huang Lan.

Cheng Weigao Speaks

SK2002100293 Shijiazhuang Hebei People's Radio Network in Mandarin 2300 GMT 19 Feb 93

[Text] Cheng Weigao, secretary of the provincial party committee and governor of the province, delivered a speech at the provincial work conference of township enterprises, which ended on 19 February. He stressed in his speech that the key to accelerating the development of township enterprises in the province lies in emancipating minds and renewing the concepts.

Cheng Weigao said in his speech: To achieve the extraordinary development of township enterprises, our province should first do a good job in dealing with the following three problems: 1) Efforts should be made to overcome the outdated concept of sticking to old ways and staying in a rut and to display the spirit of daring to try, to do, and to face the knotty problem. 2) Efforts should be made to overcome the outdated concept of not seeking to make contribution but seeking faultlessness and to foster the new morale of pioneering the road of advance arduously. 3) Efforts should be made to overcome the idea of being satisfied with the little progress and of not seeking the road of advance and to foster the spirit of daring to achieve extraordinary development.

In his speech, Cheng Weigao urged various localities to proceed from their reality to earnestly implement the principle of developing township enterprises, in which multiple circles join in the promotion of establishing township enterprises, enterprises are operating the business of various styles, the guidance over these enterprises has been conducted in line with the difference of their categories, and localities are boldly developing such enterprises. Localities that have laid a certain foundation for township enterprise development should pay attention to upgrading the quality of their products, the level of their enterprises, and the scope of their production. Those whose development in this regard is weaker should actively and boldly develop individually-run and privately-owned enterprises and organize the local skilled craftsmen to join in township enterprises. Leading personnel at all levels should know well the importance of township enterprises, master the law of developing township enterprises, actively study the knotty problems cropping up in township enterprise

development, make good use of entrepreneurs of township enterprises, and train a large number of leaders for these enterprises.

Cheng Weigao lastly stressed in his speech that units at all levels and various departments should regard as an important and obligatory task the work of supporting the development of township enterprises, enthusiastically give support to the development, show concern for it, and make things convenient for it. They should also establish fewer checking outposts for the development and create a good external environment for it.

Activities of Tianjin's Nie Bichu Reported

Addressess Propaganda Conference

SK2002084193 Tianjin People's Radio in Mandarin 2300 GMT 18 Feb 93

[Excerpts] The two-day municipal propaganda work conference ended on 18 February. The conference pointed out: In 1993, propaganda and ideological work should be aimed at continuously propagating and implementing the guidelines of the 14th CPC National Congress; arming the whole party with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; persisting in the party's basic line known as one central task and two basic points; emancipating the mind; seeking truth from facts; forging ahead in unity; and doing a solid job to provide a fine environment of public opinion, a strong spiritual motivation, and an ideological guarantee for accelerating Tianjin's pace of reform and opening up and for comprehensively implementing Tianjin's strategy of accelerating development.

Xie Guoqiang, director of the propaganda department under the municipal party committee, relayed the speeches made by Jiang Zemin and Ding Guanggen at the national forum of propaganda department directors and the guidelines of this forum. He also summarized the 1992 propaganda work of the municipality.

Attending the conference were municipal leaders Nie Bichu, Li Jianguo, Liu Fengyan, and Xiao Yuan as well as veteran comrade Huang Yanzhi.

At the conference, Liu Fengyan, Standing Committee member of the municipal party committee and director of the propaganda and ideological leading group under the municipal party committee, set demands on successfully carrying out the propaganda work of this year. [passage omitted]

Nie Bichu, acting secretary of the municipal party committee and mayor of the municipality, said in his speech: Last year the municipality achieved an extraordinary progress in reform, opening up, and modernization and achieved new progress in all items of work. This is the results of the concerted efforts of the people throughout the municipality, including the endeavor of the vast numbers of propaganda and ideological workers.

He stressed: Under the current new situation, propaganda and ideological work is of a new and special significance all the more. He said: Accelerating reform and opening up and establishing the socialist market economic system is an unprecedentedly deepgoing change. Many changes have taken place in the people's relations of interests, life style, and mental state. To make reform garner the comprehension, support, and participation of the masses, we must have a strong and effective propaganda and ideological work. The more we carry out reform and opening up, the more we should mobilize and unite the masses and attach importance to propaganda and ideological work. Propaganda and ideological work is very important and is well worth doing. There are many tasks for propaganda and ideological work this year. The most fundamental one is to persistently use the theory of building socialism with Chinese characteristics to arm the whole party and to unite the ideas of all party members and cadres in the municipality and to consciously apply this theory to guide the work in various fields. Now the major principles and policies for doing propaganda and ideological work have all been defined. The key lies in resolute and practical implementation. We should do the work in a creative manner in line with the guidelines of the central authorities and the municipal party committee and with the ideological and work realities of cadres and the masses. We should keep abreast of the new situation of building a socialist market economy, improve the forms and methods of doing propaganda and ideological work, and lay emphasis on actual results of the work. We should never do the work in a simple and perfunctory manner, nor should we demand uniformity in doing the work.

Nie Bichu stressed: Propaganda and ideological work is an essential component part of the entire work of the party. Party committees at all levels must attach extremely great importance to the work, strengthen leadership over the work, and list the work as a major item on their daily agenda. Governments at all levels should also pay great attention and give support to propaganda and ideological work. They should pay great attention to not only the building of material civilization but also the building of spiritual civilization.

Attending the conference were more than 400 persons, including responsible comrades of various departments and commissions under the municipal party committee; responsible secretaries of party committees of various districts, counties, bureaus; directors of propaganda departments of various district, county, and bureau party committees; and responsible comrades of pertinent people's groups and propaganda units.

Attends Procuratorial Meeting

SK1902141693 Tianjin People's Radio in Mandarin
2300 GMT 18 Feb 93

[Excerpt] On the morning of 18 February, municipal leaders Nie Bichu, Wang Xudong, Wu Zhen, and Liu

Jinfeng attended the eighth municipal meeting of procuratorial organs and representatives of advanced collectives and individuals and met with the participants.

Over the past five years, procuratorial organs in the municipality have persisted in following the principle of firmly grasping economic and ideological work with two hands. They have dealt severe blows to serious criminal offenses and economic irregularities around the central task of economic construction and the goal of maintaining social stability, thus achieving great results in supervising law enforcement and doing procuratorial work. [passage omitted]

Speaks to Party Standing Committee

SK2202060993 Tianjin People's Radio in Mandarin
2300 GMT 20 Feb 93

[Text] On the morning of 20 February, the Tianjin municipal party committee held an enlarged session of its Standing Committee to work out plan for further carrying out the major tasks defined in the 1993 major points of work of the municipal party committee on accelerating the implementation of the development strategy and to propose efforts be made to make specific work divisions, fulfill responsibility, and carry out all fields of work in the municipality more effectively and actively in an effort to whip up a situation in the whole municipality in which all levels make earnest efforts to carry out practical work and all levels grasp their work with strenuous efforts.

Nie Bichu, acting secretary of the municipal party committee, presided over and addressed the session. In his speech, Nie Bichu pointed out: The 12th enlarged plenary session of the fifth municipal party committee held in December last year clearly defined this year's major points of work and proposed efforts be made to implement the strategy on accelerating development and put forward the policies and measures to be adopted in implementing this strategy. After the session, the situation in the whole municipality is good in general, giving rise to a vivid scene in which all levels from the higher to the lower levels across the municipality and all sectors discuss ways to accelerate development.

Nie Bichu said: Our municipality is now at a critical point. All municipal leaders are required to take the lead in more firmly and strongly grasping the municipal work and successfully carry out the work of the next three to four months, which includes firmly grasping the tasks during the period prior to the convocation of the party congress and the people's congress. This is of extreme importance in meeting the year's fighting objectives. This year is an important one in comprehensively implementing the guidelines of the 14th CPC Congress and the strategy on accelerating development. It is also a crucial year for further deepening reform, expanding the degree of reform and changing the old system into the socialist market economic system. The next three to four months are a period for starting the year's work. Some major moves and measures for deepening reform will come out

successively and will gradually be implemented. Projects utilizing foreign capital must be rapidly built, discussed and implemented. The scope of student enrollment must be further expanded. The next three to four months are the best season for all trades and professions to grasp production and construction. They must not slacken efforts during this period. If we successfully grasp the work of the first half of the year, we will gain initiative in the work of the whole year. In short, how we grasp the work during the next three to four months will directly affect the implementation of the major points of work of the municipal party committee, the whole year's work, and the morale and popular feelings of Tianjin. In face of this new situation, leaders at all levels should stand fast at their posts and make earnest efforts to carry out practical work. The municipal leading comrades should all the more take the lead in doing this, strengthen leadership, and carry out their work firmly. Leading cadres at all levels across the municipality should work hard; perform their own duties and responsibilities in the spirit of upholding responsibility for the party Central Committee and the municipal party committee; offer more great ideas and measures for the major issues of reform, opening up, and development; further open up a situation; and firmly and solidly grasp all fields of work until good results are achieved. In line with the major points of work of the municipal party committee, we have issued more than 50 items of major work which need to be specifically implemented, and put forward the specific contents, progress, demands, and responsibilities for carrying out each and every work during this year.

In his speech, Nie Bichu stressed: We must step up our efforts to implement the major tasks put forward by the municipal party committee: First, we should establish a strict responsibility system and clearly define the duties and responsibilities of each person. Second, we should study and formulate plans for implementing the major tasks as quickly as possible. Third, we should make all levels carry out this work while grasping the work of the next level. The municipal leaders should begin with this work. The principal responsible leading comrades of the municipal party committee and the municipal government should assume leadership personally, resolutely overcome formalism, and strictly avoid empty talk and seek undeserved fame. Fourth, we should strengthen supervision and inspection work and strengthen specific guidance. The municipal party committee and the municipal government should organize two leading bodies as soon as possible to give regular or irregular supervision and inspection to the whole municipality on the study and implementation of the major points of the municipal party committee's work. Fifth, we should make concerted efforts to jointly make this work a success. It is necessary to cultivate a good atmosphere of mutual trust, mutual support, mutual understanding, criticism and self-criticism in the leading bodies so that they can make joint efforts and do their work well.

Tianjin High-Technology Zone Develops Rapidly

OW2002222293 Beijing XINHUA Domestic Service in Chinese 2118 GMT 15 Feb 93

[By trainee Man Xuejie (3341 1331 2638)]

[Text] Tianjin, 15 Feb (XINHUA)—With the registration of the Zhongtai Precision Machinery Company, Ltd., in the Tianjin Economic and Technological Development Zone in early February, the number of high- and new-technology enterprises in the development zone has reached 100, 12 of which have been named national-level high- and new-technology enterprises.

In 1989, the Tianjin Economic and Technological Development Zone established a science and technology bureau, becoming the first of the 14 national-level development zones to establish such a bureau. In addition, the zone has given top priority to importing high-technology projects. At the same time, it established special science and technology loans and promulgated a series of preferential policies. While striving to improve its physical environment, the development zone also undertook to improve work efficiency. It kept close touch with enterprises and helped foreign businesses resolve problems. As a result, high- and new-technology enterprises in the development zone have developed rapidly in recent years. Of the 462 enterprises registered in the development zone last year, 88 were high- and new-technology enterprises. The number of high- and new-technology enterprises accounted for 19 percent of the newly approved Chinese-foreign joint ventures, cooperative enterprises, and wholly foreign-owned enterprises and exceeded the total number of high- and new-technology enterprises approved in the previous seven years. Attracted by what the Tianjin Economic and Technological Development Zone offers, many internationally well-known large companies and multinational corporations have invested in the development zone with their high technology. The U.S. Motorola Holding Company, Ltd., and Heng-si Company, Ltd.; Japan's Kansai Paint Material Company, Inc. and Hua-de-wen Company, Inc.; Thailand's Zheng-da Group; Korea's Samsung Group; and Italy's Ai-fei-du-er [name as received] Company, Ltd. all invested and set up enterprises in the development zone last year. The amount of investment in the Motorola (China) Electronics Company, Ltd., alone reached \$120 million, making it the largest wholly-owned U.S. company on the Chinese mainland.

Products manufactured by several of the 12 national-level high- and new-technology enterprises are at the advanced world level, such as the Sentouliang Safety Production Monitoring and Control Management System produced by Fushen Kangsi Peike Company, Ltd.; the computerized switchboard produced by Tianzhi Telecommunications Company, Ltd.; and the Miniature Blocking Capacitor produced by Meilanrlan Company, Ltd. These products are quite popular at home and abroad and are being exported to more than 20 countries and regions. Their output value accounted

for 12 percent of the total amount of output value generated by all the enterprises in the development zone, and their profits account for 14 percent. The amount of tax paid reached 40,000 yuan per capita [figure as received]. In addition, five major products have won international gold awards. The HNC35-TP 6-spool chain-driven digitally controlled worm grinder [liu zhou lian dong shu kong huan mian wo gan mo chuang 0362 6519 6647 0520 2422 2235 3883 7240 5815 2616 4333 1643] jointly developed by the Huanshengchang Gear Company, Ltd. and Germany was the first such product developed in the world. The high-resolution monochrome tube developed by the Zhonghuan Sanjin Company has passed the U.S. Underwriters' Laboratory safety verification and has also won Germany's VDE [expansion unknown] certificate.

During the current "international business year," the Tianjin Economic and Technological Development Zone will take further steps to improve management rules and procedures and create an even more favorable environment for the development of high- and new-technology enterprises.

Tianjin Records Technology Export Achievements

SK2002060893 *Tianjin People's Radio* in Mandarin
2300 GMT 21 Feb 93

[Summary] Tianjin entered three stages in the past three years in increasing its technology exports at an annual rate of \$10 million. Last year, the municipal transaction volume of technology exports reached \$40.96 million, a 34.94-percent increase over the previous year, to rank third in the whole country. Tianjin has been named by the Ministry of Foreign Economic Relations and Trade as one of the key provinces and cities for technology exports. In order to promote technology exports, last year, Tianjin sent 12 delegations and groups to Indonesia, Thailand, France and the CIS to hold business talks on technology exports, to conduct technology market surveys, and to promote Tianjin.

Tianjin Official on More Efficient Use of Funds

SK2002084393 *Tianjin People's Radio* in Mandarin
2300 GMT 18 Feb 93

[Text] On 18 February, the municipal government held a meeting of clearing up debt chains to summarize the work over the past two years and to commend 28 advanced units including the municipal planning commission.

Zhang Lichang, deputy secretary of the municipal party committee and executive vice mayor of the municipality, called on all departments and all enterprises to change their ideas, enhance their sense of fund efficiency, and try every possible means to improve the efficiency of using funds.

Li Huifen summarized the municipality's work of clearing up debt chains. She said: The municipality has

been commended by the State Council for its outstanding achievements in clearing up debt chains. Over the past two years, thanks to the consecutive activities of clearing up debt defaults, the municipality has achieved marked results in clearing up debt defaults, with the focus on the investment in fixed assets.

She pointed out: At present, some problems, which merit our attention, remain in economic operations. They mainly include: The increase rate of loans is higher than the speed of economic growth, enterprises still incur grave losses, and the weakness in the overall economic strength has not been changed thoroughly. These problems will certainly cause new debt defaults. For this reason, we should change our ideas and try every possible means to tie up as fewer funds as possible and to accelerate the circulation of funds. We should try our best to ensure the source of the funds needed by construction projects, positively withdraw debts, actually strengthen supervision and inspection over the investment in fixed assets, and continue to strengthen the supervision over the final accounts of banks in order to keep abreast of the demand of pushing enterprises toward the market.

Counterfeit Renminbi Discovered in Tianjin

SK2002094793 *Tianjin People's Radio* in Mandarin
1000 GMT 18 Feb 93

[Text] In recent years, along with the appearance of fake and inferior products, renminbi, the special commodity with a legal state patent right, has also been forged and imitated. According to the information of the Tianjin Branch of the Communications Bank of China, since the opening of this branch 10 months ago, its counters have cracked 28 cases of counterfeit renminbi valued at 1,150 yuan. In a record day, the branch discovered three such cases, with the value reaching 210 yuan.

Analyzed from the discovered counterfeit renminbi, relatively more of the notes are of great denominations and the value of the counterfeit renminbi in 50-yuan notes and higher accounts for more than 90 percent of the total value. Enterprises and institutions are poor in distinguishing the counterfeit notes from the true ones. All the counterfeit renminbi discovered by the Communications Bank last year were handled by enterprises and institutions. Therefore, the bank reminds the broad masses of residents as well as enterprises and institutions to guard against counterfeit bank notes.

Northwest Region

More Farmers in Northwest China Resettled

OW2002121593 *Beijing XINHUA* in English 1155
GMT 20 Feb 93

[Text] Yinchuan, February 20 (XINHUA)—Some 500,000 farmers from a poor region in Northwest China have moved from arid mountainous areas to the plains

with better irrigation conditions over the past 10 years and have witnessed marked improvements in living standards.

Statistics released from the relevant government department show that in 1992, per capita grain consumption in the area stood at over 450 kg, 120 kg more than that of farmers in mountainous areas. Per capita income exceeded 450 yuan.

The "Sanxi" area, with a population of seven million, refers to the central part of Gansu Province, centering on Dingxi Prefecture, and the Xihai area of Ningxia Hui Autonomous Region.

People in this area used to be severely impoverished due to successive years of drought and other natural adversities.

In the 1970s the central government had to allocate 250 million kg worth of grain subsidies to this area every year.

In 1983, the State Council launched the first regional poverty relief project in the "Sanxi" area. It has granted 200 million yuan each year over the past decade to support the project.

Meanwhile, the central government has also moved people in dry and barren mountainous areas to farms in the Yellow River Valley area and the Gansu corridor.

Many of these farmers resettled either voluntarily or under the government organizations.

Over the past decade, "Sanxi" has set up more than 50 resettlement bases, each of which can accommodate 1,000 to 10,000 people, and over 100 smaller resettlement bases. More than 500,000 farmers have relocated to these bases.

With a reduction of population in the mountainous areas, local agricultural production has developed rapidly.

Despite successive years of natural adversities, the central part of Gansu Province has still reported a good grain harvest. Last year, total grain output in the area reached 1.5 billion kg, up from 810 million kg 10 years ago.

Grain output in the mountainous areas increased at an average rate of six percent a year over the past 10 years. State grain subsidies, meanwhile, have decreased.

In the Gansu corridor and the Yellow River-irrigated areas in Ningxia, more than one million ha of wasteland is waiting to be cultivated.

The central government allocates over 70 million yuan every year in the construction of resettlement bases and building of water conservancy projects and residential housing. Each farmer can get some 800 yuan in terms of resettlement allowance.

By the end of this century, one million people will be resettled in these areas. Over 700,000 will move to the Yellow River irrigated areas and 200,000 will resettle in the Gansu corridor.

The Chaohu resettlement base in Longde County has turned its attention to development of local industries while stressing agricultural production.

By the end of last year, the base had established 48 enterprises, three of them foreign-funded. These enterprises realized a total of 25 million yuan in output value and two million yuan in pre-tax profits.

Qinghai's Procuratorial, Judicial Work Reviewed

HK2202051993 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 15 Feb 93

[Text] The provincial political and judicial work conference held in Xining yesterday morning concentrated on the exploration of the question of how political and judicial work can serve reform and opening up and socialist market economy. Over 360 representatives from the public security, procuratorial, court, and judicial departments of various autonomous prefectures, prefectures, cities, and counties of the province participated in the conference.

(Chang Zhengren), member of the Standing Committee of the provincial CPC committee and secretary of the provincial political and legal affairs commission, made a speech at the conference entitled Emancipate the Mind, Renew Concepts, and Further Strengthen and Improve Political and Judicial Work.

The conference maintained: In 1992, procuratorial, judicial, court, and public security departments at all levels of the province fully used legal weapons and understood the economic relationships, ensuring economic construction. Procuratorial departments at all levels strengthened procuratorial work for economic affairs and dealt serious blows to serious economic crimes such as corruption, bribery, tax evasion, refusal to pay taxes, and the manufacture and sale of shoddy and forged commodities, thus safeguarding the economic order on their own initiative. Last year, procuratorial organs at all levels handled a total of 478 economic criminal cases of various natures and filed and investigated 273 cases, recovering a total economic loss of over 2.97 million yuan for the country. People's courts at all levels have strengthened the administration of justice for economic, civil, and administrative affairs. Also last year, they handled a total of over 11,100 civil cases, 82 administrative cases, and 1,336 economic disputes of various kinds, with a total [words indistinct] amount reaching over 100.29 million yuan.

Judicial and administrative organs across the province have actively launched various judicial and administrative work. At present, the province's second-five-year-plan law popularization work has already

entered the stage of implementation. Under the leadership of the judicial department, the province's legal service channels are being continuously widened in lawyers' and public notaries' work. A total of 586 large and medium-sized enterprises and units across the province have appointed lawyers as legal advisers who participate in their operation and management. With their efforts, various [words indistinct] have recovered a total economic loss of over 43 million yuan. Public organizations have also worked hard to safeguard the legitimate rights and interests of enterprises' legal persons and parties concerned with a total of 24,600 public affairs handled, of which 153,000 are contracted economic jobs, thus effectively safeguarding the normal economic order.

Provincial Vice Governor La Bingli, and (Zhang Xianming), Ma Yougong, and (Deng Haiping), members of the provincial political and legal affairs commission, attended the conference.

Xinjiang Commentary Views Implementing Policies

OW2002111293 Urumqi XINJIANG RIBAO in Chinese
1 Feb 93 p 1

[Commentary by XINJIANG RIBAO commentator: "It Is Necessary to Correctly Select Breakthrough Points in Implementing Policies"]

[Text] The Fifth Enlarged Plenary Meeting of the Fourth Xinjiang Regional CPC Committee has made overall arrangements for the autonomous region's work for this year—a series of policies and measures for implementing the guidelines of the 14th CPC National Congress and further promoting reform and economic construction in the autonomous region have been formulated—and meetings of the regional people's congress and the regional committee of the Chinese People's Political Consultative Conference have also been held. Now the major policies have been affirmed and the key for doing a good job in this year's work lies in implementing those policies in a solid manner.

Past experiences have shown us that we must correctly select breakthrough points in order to firmly implement policies.

How can we correctly select breakthrough points?

We are convinced that it is necessary to first attach importance to ideological emancipation and remove our ideological obstacles. In other words, we must be ideologically prepared for the implementation of policies. At present, some policies have been made, but some leading cadres of related departments are unwilling to actively implement those policies because of the pressure of their ideological problems or their departmental interests. We should ideologically educate those comrades. Through study, visits and talks, we should help them understand the theory of these policies. We should also educate them

through practice and facts and help them remove their ideological obstacle and actively implement related policies.

Carrying out investigation and study and paying attention to both positive and negative typical examples are also very important. The power of examples is very great. At present, many prefectures, counties and cities have put forward good ways and procedures for implementing policies in light of their actual situations, and have formulated a whole set of methods for implementing policies after investigating and summing up experiences. If we promote these typical experiences, we can certainly enlighten all people concerning implementing policies. However, there are also certain departments and units in the autonomous region which have delayed the implementation of various preferential policies or have only done their work perfunctorily to deal with their higher ups, disregarding the interests of the people. If we can grasp some of these negative typical examples, investigate the situation and hold leading cadres responsible for their wrongdoings (we talked about this matter before, but it has seldom been implemented), it can play a shock role and promote the genuine and all-out implementation of policies. It was said that, in a certain county, there are some 40 to 50 unreasonable burdens on peasants. As a result, production slowed down and peasants' incomes decreased. Some leading cadres spent a lot of money, but recorded this as an expenditure for water, asking peasants to share the burden. Concerned leaders resolutely changed the leading group of that place. This created a great shock, and the policy for alleviating peasants' burdens was quickly implemented. This shows that the concerned leaders have correctly selected the breakthrough point in implementing organizational policy.

In order to grasp the key issue in implementing policies, we must not proceed from all directions but should attach importance to the key issue. If we can seize the key issue, we will be able to take hold of the breakthrough point. If our main goals are to gradually establish and perfect a socialist market economy, expand international channels, strengthen infrastructure construction and develop secondary and tertiary industries, we should center around those key issues and grasp breakthrough points to solve the main contradictions. At present, we are faced with the main problem of money and credit—a shortage of funds. In addition, the problems of transportation and communications have also restricted our economic development. Therefore, we should grasp these difficult points and implement related financial and communications policies to solve difficulties in obtaining and accumulating funds and in promoting the development of transportation and communications.

We should correctly grasp breakthrough points for implementing policies. On the one hand, leading cadres at various levels should seriously study Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the guidelines of the 14th CPC

National Congress; on the other hand, they should go down to lower-level units and immerse themselves with the masses, and make investigations and study at grass-roots level units. Leading cadres should emancipate their minds, seek truth from the facts, do solid things and seek practical results. If we can truly use the Marxist stand, viewpoint and method to guide our work, we will be able to correctly select our breakthrough points.

Xinjiang Circles Discuss Freedom of Religion

*OW2102084793 Beijing XINHUA in English 0820
GMT 21 Feb 93*

[Text] Urumqi, February 21 (XINHUA)—The people of all nationalities in the Xinjiang Uygur Autonomous Region have enjoyed freedom of religious beliefs while ridding the area of poverty, ignorance and disease, according to religious representatives.

Speaking at the first session of the regional committee of the Chinese People's Political Consultative Conference (CPPCC), Memet Yusup, director of the regional religious affairs bureau, said that the region has 30,124 imams, lamas and other religious leaders and 23,160 mosques, temples and places of worship.

The government allocated 2.3 million yuan a year to subsidize religious leaders and organized 91 classes to train 1,099 religious people. The first 37 graduates from the Institute of Islamic Theology, which was set up in 1987, have become maulas and imams at local mosques. The regional government has also earmarked funds to renovate famous mosques.

Under the auspices of local governments, 9,974 people went on a pilgrimage in Mecca. The region has also played host to religious visitors from Pakistan, Egypt, Kuwait, Saudi Arabia, the United Arab Emirates and Libya and sent delegates to Iran, Iraq, Egypt, Jordan and Libya.

Xinjiang has a population of over 15 million consisting of 47 ethnic nationalities. Uygur, Kazak and eight other ethnic groups are Moslems. Mongolians are generally followers of Buddhism while many Russians are Orthodox Eastern Church Christians.

Abdulla Memet Niyaz Haji, vice-chairman of the Luntai County committee of the CPPCC, said that poverty, ignorance and disease were the three major enemies of the local people for millenary. The Communist Party and the government have given the people the leadership to wipe out these scourges in only four decades. The religious creeds conform to the policies of the party and government.

Abulimit Yahaya, a member of the Keping County Standing Committee of the CPPCC, said that the reform and opening up policy has enabled the local people to become well-off. The local peasants, who previously could not afford to buy a donkey, have tractors in addition to hundreds of sheep and dozens of camels.

Xinjiang has over seven million Moslems. Their per capita annual income has jumped from 100 yuan to over 700 yuan in the past 14 years. Herdsman from 64,500 formerly nomadic households have erected permanent housing in recent years, the religious representatives noted.

Abdulitip, vice-chairman of the Islamic Association of the Hotan Prefecture, compared the interests between the state and the people to that of the sheep and its skin, which can never be separated.

He said that religious circles have expressed their determination to cooperate with the state, consolidate unity among all nationalities and promote development and prosperity.

Xinjiang Attracting More Foreign Investment

*OW1902131293 Beijing XINHUA in English 0937
GMT 19 Feb 93*

[Text] Urumqi, February 19 (XINHUA)—The Xinjiang Uygur Autonomous Region has become a hot spot for foreign investment since last year, when China began to open further its border areas to the outside world.

To boost border trade, the regional government has opened 14 crossing points along its 5,400-km border and built nine border trade markets.

According to statistics, these markets received more than 50,000 arrivals of foreign business people, and had a sales volume totalling 120 million yuan in the past year.

A regional official in charge of border trade said that Xinjiang has made full use of the preferential policies granted by the state and the opportunity to open border areas further to the outside world.

Xinjiang has more than 200 companies empowered to undertake barter trade, and 33 of its counties and dozens of state farms are participating in border trade, the official said.

Last year saw the region's border trade volume total 320 million U.S. dollars, and its trading partners number 260 enterprises from dozens of countries.

The official said that Xinjiang is building economic and technology development zones along railway lines in Urumqi, capital of the region, Kuytun, Shihezi and Hami. These zones have absorbed more than 400 million yuan of capital from home and abroad over the past few months.

The official noted that the Lanzhou-Urumqi railway is being double-tracked. Upon completion, the railway is expected to help Xinjiang and northwestern provinces to directly sell their goods to the European market.

The multinationality region received more than 230,000 arrivals of tourists from overseas last year, and it approved the establishment of 164 foreign-funded projects during this period.

Economists here agree that the improvement of the investment conditions and construction of key state energy and transport projects will help the region to attract more investment from home and abroad.

Release of PRC Dissident Wang Dan Discussed

'Response to Pressure'

OW2002144193 Taipei CNA in English 1349 GMT
20 Feb 93

[Text] Taipei, Feb. 20 (CNA)—The following editorial appeared in Saturday's EXPRESS NEWS, an evening daily published by CENTRAL NEWS AGENCY.

Peking Responds Only To Pressure

Peking's release earlier this week of Wang Dan who topped the most wanted list after the 1989 Tiananmen crackdown, was apparently aimed at ingratiating itself with US President Bill Clinton who had indicated during last year's campaign that he would not cuddle Chinese communist tyrants.

Of course, the communist leadership knows full well what it has done so far in response to international calls for respect of human rights on the China mainland would not pass muster.

That was probably why the official XINHUA NEWS AGENCY tried to play with words in reporting Wang's release, claiming that "all the students who violated the criminal law during the anti-government disturbances in 1989 and were sentenced to different terms of imprisonment have been released."

The purpose of the ingeniously phrased statement was undoubtedly to convey the impression that the whole Tiananmen incident is now over, and this time to get down to real business.

But seasoned observers know better and will not be fooled easily. In fact, even if the statement is taken at face value, there is no way of knowing whether Peking has, indeed, freed all those sentenced to jail terms because of their peaceful demonstrations on Tiananmen Square.

There have never been open and fair trials for those incarcerated. Therefore, no one outside the communist leadership really knows how many have been sentenced to prison terms according to Peking's so-called criminal laws.

Bride, there were many in the provinces put into jail for their open support of the student movement in Peking. There has been no word at all about their fate.

Fortunately, there is one thing we are now sure. That is Peking will respond when there is pressure brought to bear. It hadn't released Wang because it knows that there can no longer be business as usual with President Clinton now at the driver's seat in the United States.

Mainland China enjoys a US\$18 billion trade surplus per year with America. Washington must take full advantage of that leverage, if it really wants to see the despicable human rights conditions improved on the China mainland.

'Gift for Spain'

OW2202103293 Taipei CNA in English 0804 GMT 22 Feb 93

[Text] Peking, Feb. 22 (CNA)—The release of Wang Dan, a leader of the 1989 student pro-democracy movement in Mainland China, was a gift from Peking to Spanish Prime Minister Felipe Gonzalez who visited the mainland last week, an informed source here said.

"Somebody called the Spanish Embassy in Peking to tell it the news shortly after Wang was released on Feb. 17," the source said.

In addition, the pressure from the United States and International Olympic Committee were also important reasons for Peking to release Wang, who had been detained shortly after the Peking crackdown on the pro-democracy movement on June 4, 1989.

Wang topped the list of 20 student leaders wanted by Peking for their roles in the Tiananmen incident.

The source said that Peking originally decided to free Wang by the end of last year but changed the plan at the last moment for unknown reasons.

Ministry Tries To Avert U.S. Trade Retaliation

OW2002094493 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 18 Feb 93

[From the "Hookup" program]

[Text] In view of the lack of coordination between those administrative departments under the pressure from retaliatory trade measures that the United States may possibly impose on us, the Ministry of Economic Affairs already has instructed the Board of Foreign Trade to complete an explanatory document on the Sino-U.S. trade dispute over intellectual property rights, listing various U.S. tariffs designed to protect intellectual property rights, for all departments and units to propose countermeasures and for discussions at an interministerial coordination meeting to be held on 23 February so that a common understanding may be reached at the meeting; this so that a basic stand may be adopted for talks with the United States, set for early March.

It has been learned that U.S. businessmen already have reported to the U.S. Trade Representative's Office, accusing ROC [Republic of China] manufacturers of intellectual property right infringement, and that their accusations have increased the ROC's chance of being blacklisted for observations once again this year. The administrative departments of the ROC panicked as a result. So far, they still have not striven to enable all the relevant ministries and councils to reach a common understanding. Though several weeks already have elapsed since these U.S. businessmen accused the ROC of copyright infringement, the Coordination Council for the Suppression of Copyright Infringement under the

Ministry of the Interior, the Council for Economic Planning and Development of the Ministry of Economic Affairs, the Government Information Office of the Executive Yuan, the Legislative Yuan, and even domestic manufacturers are still saying and doing things in their own ways. The explanatory document on the Sino-U.S. trade dispute over intellectual property rights prepared by the Board of Foreign Trade, under the instruction of the Ministry of Economic Affairs, was completed on 18 February.

'Emergency Meeting' Held

OW2002105093 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 18 Feb 93

[From the "Hookup" program]

[Text] Now we are going to talk about what countermeasures our country will adopt against pressures from U.S. businessmen concerning retaliation. The Executive Yuan Sino-U.S. Group held an emergency meeting immediately after an Executive Yuan meeting on the afternoon of 18 February on trade retaliations that U.S. businessmen may impose on Taiwan. In view of the fact that the [words indistinct] case of the reservation clause under the miscellaneous item of the ROC [Republic of China]-U.S. Copyright Protection Agreement had already exceeded the deadline, the meeting reached an initial decision on actively coordinating legislators to make specific proposals on revision of the relevant articles contained in the agreement and solution of [words indistinct] problems provided that the development and application of education, science, and culture on our side are not affected. The conclusion reached by the meeting will be submitted to the Executive Yuan and the president in the next few days for their check, ratification, and instruction so that it may be used as the ultimate basis in the ROC's handling of the Sino-U.S. copyright issue. The holding of the meeting indicates that our government has referred the issue of trade retaliation from the U.S. side to the level of the Executive Yuan for it to conduct overall planning and seek a solution. Meanwhile, as the deadline for [words indistinct] of the ROC-U.S. Copyright Protection Agreement had already expired, the Sino-U.S. Group also held a special discussion in the afternoon of 18 February on remedial measures. The meeting decided to conditionally revise the contents of the agreement and coordinate with legislators to put forward motions and suggest that the Legislative Yuan take into consideration the interests of the nation as a whole and give the appropriate support, so that the ROC may have effective bargaining chips during the Sino-U.S. talks, which will be held in early March of this year.

U.S. Sanctions Impact Noted

OW2102094993 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 18 Feb 93

[From the "Hookup" program]

[Text] How much will we lose if the United States retaliates against us on trade? The answer is about \$800 million.

According to a Board of Foreign Trade [BOFT] estimate on 18 February, if the United States imposes the 301 retaliatory trade measure on us, our exports to the United States will suffer about \$800 million in losses. The United States may impose 100-200 percent tariffs on certain products, including computers, electronic products, machinery, office automation equipment, and textile products.

A BOFT official said emphatically: The United States is a low-tariff country whose tariff rates range from 3-5 percent. Our competitive edge will be totally eroded if the United States imposes 100-percent, not to mention 200-percent, tariffs on our products. The BOFT official said: The U.S. International Intellectual Property Alliance [IIPA] recently estimated their losses at around \$660 million as a result of counterfeits from our country. Judging the U.S. 301 trade retaliatory measures against other countries, our country will probably suffer \$800 million as a result of U.S. retaliation. Business people, aware of their vulnerable position in this situation, have decided to launch an extensive campaign.

Business people involved in the campaign recently wrote to the IIPA to express their sincerity in protecting copyrights. Last night [18 February] they invited legislators over for talks to persuade them to ratify the withheld clauses in the copyright agreement. Next Wednesday [24 February] they will also hold talks with the American Institute in Taiwan.

U.S. customs officials and the BOFT will soon hold final talks regarding the inspection of our computer software exports. Deputy BOFT Director General Lin Yi-fu said: A consensus achieved between the two parties will greatly help Sino-U.S. trade consultations scheduled for March.

Since their arrival on Taiwan on 14 February, the three U.S. customs officials have visited the BOFT, the Council for Economic Planning and Development, and customs offices. They held discussions with representatives from relevant units and computer companies yesterday.

'Contradictory' Mainland Views on Relations

OW200222093 Taipei LIEN HO PAO in Chinese 8 Feb 93 p 1

[Text] ["Special Dispatch" from Peking by reporters Hsu Hsiang-li (1776 1424 4409) and Han Chien-hua (7281 0494 5478)]

[Text] Party, government, and military sources here indicate that two contradictory views toward Taiwan's current development—one advocating conciliation and another advocating a hard-line position—have surfaced within the Chinese Communists. Some units in charge of

general affairs between the two sides of the Taiwan Strait have suggested that the Chinese Communist authorities consider the question of "abandoning an armed invasion of Kinmen and Matsu," whereas the hard-liners within the Communist Army have called for restoring the Fuchou [Fuzhou] Military Region and issuing warnings to the Taiwan authorities.

According to the sources, the Chinese Communist State Council Office of Taiwan Affairs, the Association for Relations Across the Taiwan Strait, and several research institutions all hope that relations between the two sides will gradually develop in a harmonious atmosphere. For this reason, some research units in Peking have suggested that in light of Taiwan's demand that the Chinese Communists "abandon an armed invasion of Taiwan," there is no harm in considering announcing "abandoning an armed invasion of Chinmen and Matsu" first, which could be construed as a goodwill gesture.

However, it has also been pointed out that if Taiwan's situation continues to "deteriorate," the position taken by the conservative octogenarians and military hard-liners will have the upper hand. If this happens, tensions are expected to appear in relations between the two sides.

An official scholar who studies Taiwan's political situation indicated that he and the others felt uneasy about the military's hard-line proposal; at the same time, they are concerned about Taiwan's political development.

According to a Chinese Communist military source, there have been no unusual moves on the part of the Communist Army. In response to a report from Peking published by a Hong Kong newspaper that the Chinese Communists were prepared to increase the level of military preparedness—Involving the Army, Navy, and Air Force—against drastic political changes in Taiwan, this military source indicated that while the Chinese Communist authorities are undoubtedly concerned about Taiwan's political development, it is unlikely that they will increase the level of military preparedness at the present time.

This person said that while Taiwan's situation was discussed at a recent enlarged meeting of the Chinese Communist Central Military Commission, "there were no words about attacking Taiwan," and the servicemen are taking leave as usual and the troops are operating normally. He revealed that prior to the 14th CPC National Congress, Peking's general military departments had entered first-degree military preparedness and had ordered servicemen not to take leave. It has since become clear that the move was in response to internal instability and was not directed at Taiwan.

PRC Reportedly Comments on Lien Chan Cabinet
OW2202065293 Taipei LIEN HO PAO in Chinese
11 Feb 93 p 5

[By correspondents Han Chien-hua (7281 0494 5478) and Hsu Shang-li (1776 1424 4409)]

[Excerpts] Chu Jung-chi [Zhu Rongji], member of the CPC Central Political Bureau Standing Committee and vice premier of the State Council, on 10 February noted: The mainland is very concerned about trends in Taiwan and respects the will of the people in Taiwan. Speaking on the issue of Taiwan independence, Chu Jung-chi quoted former Singaporean Prime Minister Lee Kuan Yew's remarks: "If Taiwan became independent, there would probably be a sudden change in the situation and the flames of war would spread far and wide." [passage omitted]

Chu Jung-chi made the aforementioned remarks while meeting a delegation of Taiwan's construction industry. [passage omitted]

Lastly, when speaking about the cabinet formed by Lien Chan, Chu Jung-chi noted that this was foreseen a long time ago. The mainland side felt that there was nothing strange about it. He did not make further comments except for this remark.

PRC Army Allows Cultural Exchanges With Taipei

OW2202055693 Taipei LIEN HO PAO in Chinese
10 Feb 93 p 10

[By correspondents Hsu Shang-li (1776 1424 4409) and Han Chien-hua (7281 0494 5478)]

[Text] Sources disclosed that the Chinese Communist Army General Political Department recently relaxed control over cultural exchanges with Taiwan, and has allowed subordinate political work groups to conduct cooperation and exchanges with cultural, literary, and artistic circles in Taiwan.

The sources said: After the two sides of the Taiwan Strait made a variety of contacts in culture, literature, and art, actors of some political work groups under the General Political Department also hoped to cooperate with Taiwan. However, the ban was not lifted until the fall of Yang Pai-ping [Yang Baiping], former director of the General Political Department.

The sources noted: The reason the ban could not be lifted was mainly because of military considerations, which are different to civilian ones. In addition, the General Political Department, which takes charge of the Army's political and ideological work, also had to weigh the impact of the lift within the military, particularly when the advocacy of "intimidating Taiwan with military force" still exists in the Army.

It has been learned that before the lifting of the ban, a publisher from Taiwan went to Peking to cooperate with a unit under the Defense Ministry of the Chinese Communists. A relevant person said this was different, in essence, from cooperating with military personnel.

The person concerned also noted: Since the promotion of Yu Yung-po [Yu Yongbo] and Lieutenant General

Wang Jui-lin [Wang Ruilin], director of Teng Hsiao-ping's [Deng Xiaoping's] office, as director and deputy director of the Communist Army General Political Department, respectively, the department has gradually assumed a pragmatic workstyle and has stopped engaging in formalism or putting "politics in command." Yu Yung-po recently circulated his criticism within the department against a deputy secretary general for extravagance and falling short of the workstyle of "carrying forward the fine traditions of Red Army veterans."

The person said: Since Wang Jui-lin personally took charge of the General Political Department on behalf of Teng Hsiao-ping, the department has approached problems, including the Taiwan issue, in a practical spirit. Although some hardline calls were heard within the military in view of the changes in Taiwan's situation recently, the department has not conducted propaganda "hostile to Taiwan," but has eased the ban instead. The person said: "Nobody benefits from wars, everything can be settled through discussion as long as Taiwan does not advocate independence."

Middle-Level Civil Servants Allowed PRC Visits

*OW2002081793 Taipei CNA in English 0756 GMT
20 Feb 93*

[Text] Taipei, Feb. 20 (CNA)—The government will allow middle-ranking civil servants to visit their relatives in Mainland China as part of its plan to ease restrictions on contacts with the mainland in a gradual manner, an Interior Ministry official said Friday [19 February].

The Ministry of the Interior has approved a proposal allowing civil servants at or below the level of section chief (No. 9 grade in the nation's civil servant system) to travel to the mainland to visit relatives, the official said.

The relatives whom officials are permitted to visit are limited to siblings, spouses, parents and children, according to the government definition.

The proposal will be sent to the Mainland Affairs Council for final approval before it can be implemented. It is expected to be enforced in March the soonest, the ministry official said.

Currently, government employees can only visit the mainland to attend funerals, see ailing relatives or take part in academic and cultural activities.

Senior government officials, military personnel and policemen continue to be forbidden to visit the mainland for national security reasons, the official said.

Japan Sharply Criticized Over 'Communist Phobia'

*OW2002081893 Taipei CNA in English 0803 GMT
20 Feb 93*

[Text] Taipei, Feb. 20 (CNA)—Foreign Affairs Minister Chien Fu Friday [19 Feb] lambasted Japan, saying that

the bilateral relations between the Republic of China [ROC] and Japan are unlikely to improve by leaps and bounds unless Tokyo overcomes its "Chinese communist phobia."

Chien made the criticism Friday at a press conference shortly after his return from an overseas trip, which took him to Indonesia and Japan.

During his stay in Japan, Chien said he had met several former Japanese prime ministers and senior politicians.

Chien said that he had told the Japanese friends he visited that Japan has developed a "Chinese communist phobia" most malignant in the world. "With this serious malaise, Japan no longer acts as a sovereign state," Chien said.

Tokyo switched diplomatic recognition from Taipei to Peking in 1972, and has since intentionally distanced itself from the Republic of China in spite of its snowballing trade imbalance with this country, which hit a record high of US\$12.9 billion last year.

Minister Chien also regretted over the exposure of his itinerary by the local mass media, claiming that it had brought unexpected damages to the attempts to improve Tokyo-Taipei ties.

He denied having met in Japan with Butrus Ghali, secretary-general of the United Nations. Again he called on the local reporters to stop connecting in mind groundless reports about his visit to Japan.

Some local newspapers earlier this week carried stories implicating that Chien had met with the UN secretary-general on the possible rejoining of the ROC to the international organization.

Chien also denied reports that the nation would be readmitted into the United Nations two or three years from now.

To be specific, the Republic of China could apply with the UN for membership two or three years later, Chien said, citing President Li Teng-hui.

But the minister declined to reveal the name to be used when the nation applies for UN membership.

Foreign Trade To Hit \$167 Billion in 1993

*OW2202101193 Taipei CNA in English 0747 GMT
22 Feb 93*

[Text] Taipei, Feb. 22 (CNA)—The Republic of China [ROC]'s external trade will grow at an annual rate of 8.84 percent to a total of US\$167 billion in 1993, the Directorate General of Budget, Accounting, and Statistics (DGBAS) forecast Monday.

Exports will total US\$88.1 billion, an increase of 8.16 percent over the previous year and 1.2 percent higher than 1992's growth rate of 6.69 percent, the government budgeting body predicted.

Imports meanwhile are expected to slow down, with volume projected at US\$78.9 billion, which marks an advance of 9.62 percent when compared with the corresponding period of 1991. Imports picked up by a hefty growth of 14.54 percent in 1992.

The trade surplus will shrink to US\$9.19 billion this year, down 2.9 percent over a year ago.

6.6 Percent Growth, Per Capita GNP \$10,803 Noted

*OW2002082693 Taipei CNA in English 0750 GMT
20 Feb 93*

[Text] Taipei, Feb. 20 (CNA)—Taiwan's economy is expected to grow at an annual rate of 6.6 percent this year, the government announced Friday [19 February].

The Directorate General of Budget, Accounting and Statistics (DGBAS) estimated the growth for the four quarters of 1993 at 6.35 percent, 6.54 percent, 6.72 percent, and 6.78 percent respectively, pushing up the average annual expansion to 6.6 percent.

DGBAS tallies show that the domestic economy advanced 6.06 percent in 1992, with the four quarters rising 6.9 percent, 6.28 percent, 5.16 percent, and 5.97 percent separately.

The government's top statistical agency forecast that Gross National Product (GNP), the country's total output in goods and services, would gain 9.83 percent to NT\$ [new Taiwan dollars] 5.82 trillion (US\$224 billion) this year, thus raising per capita GNP by US\$588 to US\$10,803.

The expected gradual upturn of major industrialized countries this year would be conducive to the economic boom here, DGBAS officials said.

Trade surplus in merchandise and services however might shrink from US\$4.8 billion last year to US\$3.8 billion this year, they predicted.

Commodity Prices

The officials saw moderate advance in domestic commodity prices, saying that consumer prices would rise 3.63 percent in 1993 as compared to 4.46 percent last year.

Stable commodity prices on international markets will help relieve inflationary pressure at home despite the fact that transportation fares and utility prices here might go up soon, they elaborated.

Noting that import and wholesale prices rose 4.75 percent and 3.05 percent respectively in 1992, they forecast that the two kinds of prices would grow 2.62 percent and 1.22 percent separately this year.

Business Growth

All business sectors grew last year except for agriculture, forestry, fishery, and animal husbandry, they said.

The construction industry topped the list of growth with 10.48 percent, followed by commerce (9.88 percent), service (9.28 percent), transportation and communications (8.87 percent), and insurance and real estate (8.38 percent).

The DGBAS pointed to continued increase in various businesses this year, with its estimates putting the average growth for the first quarter at 6.81 percent, of which the construction sector would jump 14.61 percent.

According to the DGBAS statistics, production value of the service sector accounted for 55 percent of Taiwan's total output last year, an all-time high ratio, while the percentage of the industrial sector fell to 41.38 percent, the lowest level since 1976.

Stressing that the service industry has emerged as the driving force behind the economic growth here, the officials alarmed the public to the sliding trend of the industrial sector.

Without support from the industry, high growth for the service sector is impossible, they said.

Investments by the private sector made a great leap forward last year, soaring 18.6 percent, the highest level in four years, they noted, predicting that the growth for 1993 would be 12.83 percent.

They cited the ongoing six-year national development plan as the primary factor prompting the substantial rise in private investments.

Hong Kong

Article Rejects 'Concessions' on Hong Kong

HK2202131093 Beijing RENMIN RIBAO in Chinese
19 Feb 92 p 5

[Article by Qiao Huangtian (0829 6703 3944): "Reviewing the History of the Hong Kong Problem"]

[Text] China and Britain initialed "The Sino-British Joint Declaration on the Question of Hong Kong" on 19 December 1984, which stipulates that the British Government "will restore Hong Kong to the PRC with effect from 1 July 1997, and that the PRC Government has decided to resume the exercise of sovereignty over Hong Kong with effect on the same day."

Six years on, on 4 April 1990, "The Basic Law of the Hong Kong Special Administrative Region of the PRC" was promulgated. This Basic Law, which aims to maintain Hong Kong's long-term stability and prosperity, has won the heartfelt admiration and praise of people from all walks of life in Hong Kong. It is regretful, however, that the British Hong Kong Government has recently violated the Sino-British Joint Declaration and has artificially erected various barriers to Hong Kong's restoration to the motherland. This being the case, a brief review of the history of the Hong Kong problem is absolutely necessary to correct our understanding of the principled stance of the party and government.

To maintain its illegitimate opium trade in China, the British Government launched an aggressive war against China despite the need for a long sea voyage. To put a legal cloak on its war against China, the British parliament adopted "democratic" means and conducted a "splendid" three-day debate on the eve of the war. Although some members of parliament who had a sense of justice pointed out starkly: "I have no knowledge of nor have I read about any war more unjust than this one in its motive or a war that would bring more lasting shame to our country than this one. Today, the honorable gentleman standing on the other side talked about waving the British flag in the sky over Canton; the hoisting of that flag will only serve to protect the despicable smuggling business. The flag has never been hoisted along the China coast, and if it has been hoisted there now, we should withdraw it in all our disgust" (quoted from the *Cambridge History of the Late Qing Dynasty* Vol 1, p 208). Nevertheless, the British Government had already decided which admiral would lead the expedition. Lord Palmerston, the British foreign secretary at the time, declared arrogantly that the only way to deal with China "is precisely to give it a good hiding without giving any explanation" (*A History of Imperialist Aggression in China* by Ding Mingnan [0002 0682 2809] et al, Vol 1, p 38). Consequently, Parliament adopted a bill on waging war against China by 271 votes to 262. Soon, a huge British fleet appeared in China's territorial sea.

Just as some scholars have put it, the Opium War showed that the existence of a decadent, anti-people, Chinese ruling clique was most advantageous to imperialist aggression. Although the Qing Government wanted to resist the aggression of the Opium War, it could not tolerate such national heroes as Lin Zexu [2651 0463 1776] rising against itself, and its hostility against the people was even stronger than that against the foreign aggressors, who thus had their wishes come true.

"You take my opium, and in exchange I take your islands" was a popular phrase in upper-class British bourgeois society before the war.

"I suggest...should it be necessary to occupy any islands or ports in the neighborhood of Canton, that the occupation of Hong Kong would be imperative, because Hong Kong commands a large tract of land affording a safe anchorage." This was a suggestion offered to Palmerston by Jardine, a notorious opium trafficker.

Palmerston was all in favor of Jardine's suggestion to occupy Hong Kong. He bluntly stated: "We can occupy Daitam Bay and the island (referring to Hong Kong), which will become a better port than Macao. It has deep water with surrounding land; it will be an open port and good for defense. The island is mountainous, but land can be reclaimed and it will be self-sufficient in food. On the southwest of the island is a slope, which will be ideal for storage" (*The Opium War*, Vol 2, p 664).

Precisely because Britain had an urgent need to find a foothold and "storage" in China, when the Qing Court's representative was forced to sign the humiliating "Treaty of Nanking" on 29 August 1842, Britain not only obtained an indemnity of 21 million silver dollars, but also rights and privileges to "conduct trade" in five trading ports, Guangzhou, Xiamen, Fuzhou, Ningbo and Shanghai (because it was opening under the circumstances of a loss of sovereignty, such an opening could only be advantageous to the aggressors!) In addition, Britain occupied Hong Kong in "legal" form. Clause 3 of the Treaty of Nanking stipulated that China "would concede in perpetuity the island of Hong Kong to the sovereign of Great Britain and her heirs for the term of their hereditary reign, including its legislature and government." Consequently, Hong Kong was reduced to being "part of the territory of the British Queen," and the island's residents to being "subjects of the British Queen." On 5 April 1843, Britain officially set up its colonial government in Hong Kong. To augment their reign, the British Hong Kong authorities built forts and barracks on the small island and trained a large number of policemen and informers to implement strict supervision and control over its residents. Conditions then were recorded by some people: "British officials treat the Chinese like dirt and act with utter disregard for the latter's lives...should hired laborers be beaten or humiliated, their complaints are ignored; when foreigners have outstanding accounts, those who press for repayment are reproached; people who commit minor offenses are heavily fined, but when foreigners get drunk and shout

insults at Chinese residents in front of their doors, the latter have to swallow their pride and suffer in silence; some foreigners bang at shop doors late at night and take whatever they want, whereas Chinese who stay out on the streets at night are arrested...injustices perpetrated against Chinese residents are too numerous to mention" (*Research on The Opium War*, edited by Masaya Sasaki, p 312).

Nevertheless, Britain was not satisfied with procuring the island of Hong Kong, but covetously eyed the Kowloon Peninsula on the other shore.

"To make a treaty with China, it is imperative to do so with an order under the bayonet and with the mouth of a cannon supporting one's debate," a colonialist stated.

Thus, in 1856, Britain, with France, launched the Second Opium War against China, which lasted four years.

In March 1858, Basil Hall, captain of "HMS Calcutta," officially proposed the occupation of Kowloon to the Admiralty. In February 1860, British Consul Harry Smith-Parkes sent troops to occupy Kowloon. On 21 March, in Guangzhou, Parkes forced Lao Chongguang, governor of Guangdong and Guangxi, to sign an agreement on the "permanently leasing" of Tsim Sha Tsui, the southern tip of the Kowloon Peninsula, to Britain for an annual rent of 500 liangs [1 liang equals 50 grams] of gold.

When the second Opium War ended, a joint Anglo-French army (including Russians and Americans), forced a representative of the Qing Court to sign the Treaty of Beijing on a lopsided negotiating table; thus, southern Kowloon, like Hong Kong, was ceded to Britain.

China became weaker in the late 19th century. History records some shocking acts: When the Sino-Japanese War of 1895 ended, the Japanese negotiator went so far as to arrogantly tell Li Hongzhang, the Qing Court's representative in the negotiations: There is nothing to negotiate. We have already prepared a copy of the treaty; all you have to do is say "yes or no." Li Hongzhang could only sign his name on the Treaty of Shimonoseki, which was unequal and full of humiliations. After Japan, other western powers, such as Russia, Germany, and France also quickened their pace in the looting of China.

During the race to share the "legacy" of the "sick man of Asia," Britain took the chance to develop its colony in Hong Kong. In April 1898, using the excuse that France had leased Guangzhou, Donnelly [4535 4780 2867], Britain's ambassador to China, suggested that the Qing Government lease all of Kowloon to Britain; otherwise, they would occupy Fujian and Zhejiang. Under threat from Britain, the corrupt Qing Government could only listen to the order. On 9 June that year, Li Hongzhang, on behalf of the Qing Court, again signed his name on a "special treaty on expanding the territories of Hong Kong," which was drafted solely by the British side. The treaty stated: "After years of surveys, it has been found

that Hong Kong is indefensible unless it expands its territories. Now, after discussions, the Chinese and British Governments have decided on a major plan to expand British territories according to the enclosed map, including newly leased land. The exact boundary should be drawn after official surveys by both countries, and the lease should be valid for 99 years" (*A Collection of Old Charters Signed Between China and Foreign Countries*, by Wang Tieya, Vol 1, p 269). Accordingly, the entire Kowloon Peninsula south of the Shenzhen River and some 200 islands, including Lantau Island, a vast sea area from Mirs Bay in the east to Shenzhen Bay in the west and Lamma Island to the south, were forcefully leased to Britain for 99 years. This enlarged the administrative region of Hong Kong tenfold—a total of 1,045.67 square km. This newly expanded land was called the New Territories. Control over the New Territories began on 1 July 1898, and that reign will expire at 0000 on 1 July 1997.

Although Britain used the above-mentioned three unequal treaties to forcefully cede and lease Hong Kong, patriotic Hong Kong compatriots were not content to become subjects of Her Majesty. As early as 1844, local residents took various measures to resist British rule, such as refusing to pay heavy appropriations and taxes, attacking outposts, and destroying the property of foreign firms. In early April 1899, British troops, who were attempting to carry out a show of strength, came to the New Territories to erect buildings, but the angry masses immediately pulled them down and forced the British troops to withdraw. John Bowring, the fourth governor of Hong Kong, once exclaimed sadly: "We are eating the bitter fruit of war."

Unforgiving historical facts show that Britain's use of force to cede and lease Hong Kong seriously infringed upon the sovereignty and territorial integrity of China on one hand, and, on the other hand, trampled on international law. This even made some of Her Majesty's subjects feel ashamed. Peter Wesley Smith, a British scholar, once said in response to the "special treaty on expanding the territories of Hong Kong" that "this is an unequal treaty. The reason for such an assessment is because only one side benefits from it. China has temporarily lost its land and did not receive compensation. Furthermore, when the treaty was being drafted, the signatories to the treaty were not on an equal footing in the negotiations."

In the face of these treaties, which were aimed at looting and enslaving, people cannot but ask: Why did the Chinese Government at that time sign them? In the final analysis, China at the time was a poor, weak, and backward country, and was always dominated by others in its relations with the outside world. Some scholars vividly pointed out that, in the eyes of the Western powers, modern China looked like a big water melon. As this big water melon had skin, flesh, water, and seeds, more or less every one wanted to take a slice and a bite.... It was precisely under such a pitiful atmosphere that

Hong Kong was forcefully ceded to Britain. This is the epitome of the humiliation China has suffered in its modern history.

Now, the time when the Chinese people could be enslaved and humiliated has gone for good. An independent, socialist New China, which is becoming prosperous and strong, stands upright in the East like a giant.

Since the birth of New China, the Chinese Government has time and again made it clear that its consistent position on the Hong Kong issue is that Hong Kong is part of China, and when conditions are ready China will resume sovereignty over the entire area of Hong Kong.

We think that the resumption of sovereignty over Hong Kong is a sacred duty and mission of the Chinese Government and people, because it will completely erase a major historical shame in the minds of the children of the Chinese nation.

Recently, the British Hong Kong authorities violated the Sino-British Joint Declaration of 1984 and proposed a "political reform package" to deliberately hinder the return of Hong Kong to the motherland. This cannot win the people's support. The British Hong Kong authorities must withdraw their "political reform package" and return to the track of the Sino-British Joint Declaration. The Chinese nation, which has already become strong, will not make concessions on this issue of principle or accept any plan which does not converge with the Basic Law.

Editorial Urges British Side To Show Sincerity

*HK2102025093 Hong Kong TA KUNG PAO in Chinese
20 Feb 93 p 2*

[Editorial: "Please Show Sincerity for Consultations"]

[Text] The settlement of issues in Hong Kong's transitional period requires Sino-British consultation and cooperation. This is specified by the Sino-British Joint Declaration and is also proved by both positive and negative facts.

In previous years, Sino-British cooperation was in good condition on the whole. In most times, the two governments could handle affairs through consultations, and this ensured Hong Kong's stability and prosperity. After Chris Patten came, he adopted the policy of confrontation against China [yu zhong guo dui kong de zheng ce 5280 0022 0948 1417 2123 4104 2398 4595], dished out the package of "three violations," and triggered the dispute. This caused shocks to society, brought about unease in people's minds, and dropped Sino-British relations to the lowest point. Hong Kong people in various circles and some British people of insight have criticized Patten's perverse acts. Here we may quote the words by Lord Shawcross, a member of the British Parliament's Upper House: "Although his lengthy speech to the Legislative Council in early October gave a great deal of details, even including the location of the

spray tower [as published], he did not mention a single word about cooperating and seeking agreement with China and did not mention the liaison group particularly set up for discussing and solving differences. On the contrary, he boasted that he did not consult China at all.... Not only his way of expression was extremely regrettable, but the contents of his address also indeed violated the principles and provisions of the Joint Declaration and the Basic Law." The description actually hit home.

Confrontation will get nowhere, and only cooperation will have a bright future. People in various quarters have repeatedly required the British side to discard Patten's constitutional reform package, return to the path of consultation and cooperation, and return to the foundation of converging with the Sino-British Joint Declaration and the Basic Law. If they do not withdraw the package and insist on confrontation, then not only Hong Kong people will suffer, the British side and Patten will lose what they do not want to lose.

Recently, the British side spread a message through various channels requiring that consultations and talks with the Chinese side be resumed. First, they let off a test balloon through certain mass media; then, the spokesman for the Hong Kong Government and the spokesman for the British Foreign Office in Hong Kong issued statements and made indications. Finally, Patten himself also came out to say that he was "willing to discuss the development of Hong Kong's political structure with the Chinese side." The word "willing" [le yi 2867 1942] was used by Patten and the spokesman for the Hong Kong Government. It seemed that it was adopted after careful consideration. However, whether they are really "willing" or not has yet to be proved by facts in the future.

The Chinese side always opens the door to talks. It was the British side that again and again blocked and even damaged the path of consultation and cooperation. At present, in order to restore consultation and resume talks, the British side must show sincerity and cannot continue to kick while expressing "willingness." Some people in Hong Kong have criticized Patten, saying that he was a "skilled hand for playing political magic." This was a conclusion from the observation of his performances for several months, and was not groundless. It is hoped that he will not play the same old tricks any more. If they want to talk, the British side must have sincerity for the talks. If they really want to restore consultation and cooperation, they must discard the constitutional reform package of "three violations" and show with their action that they are willing to honor their promises and return to the path of the Sino-British Joint Declaration, the Basic Law, and the agreements and understandings reached by the two sides of China and Britain.

It is pity that so far, we still do not see that the British side shows such sincerity and courage. On some occasions, some British officials indicated that the British Government still supports Patten's package, because it is

the best plan that meets the principle of being "fair, open, and acceptable to the people in Hong Kong." On some occasions, officials on the British side indicated that if the Chinese side agreed to return to the negotiating table, the British Hong Kong Government and the Executive Council would agree to postpone the gazetting of the constitutional reform package that had long been adopted by the Executive Council; if the Chinese side refused to enter into talks, the British side would make public the bill in late February according to schedule. Patten even stressed that discussion with the Chinese side on the future development of Hong Kong's political structure must bear no prerequisites. What he meant was the Chinese side could not demand that the British side scrap his constitutional reform package. In the final analysis, handling issues in Hong Kong's transitional period is an issue of acting according to the principles of the Sino-British Joint Declaration. In their consultations, China and Britain should consider concrete affairs concerning how to act in light of the principles of the Joint Declaration, how to ensure convergence with the Basic Law, and how to ensure the smooth transfer of government in 1997. Patten's package, from principles to concrete contents, violates the Joint Declaration, the Basic Law, and the agreements and understandings reached by China and Britain. If the British side does not discard this package, it will not be possible to solve any problem in Hong Kong, and the talks will have no foundation. In fact, while arguing that there should be no prerequisites, Patten does not allow the Chinese side to set forth its prerequisites and does not give up his own political package. Isn't this also a prerequisite? What logic is this as he only adheres to the prerequisite of not withdrawing his political package and does not allow the Chinese side to set forth its prerequisite for the talks?

The principles and policies for solving the Hong Kong issue and the arrangements of the 1994-95 elections have all been explicitly specified by the Sino-British Joint Declaration, the Basic Law, and the diplomatic letters exchanged between China and Britain. There remains no room for further discussion. What requires further consultations are merely some concrete details. In a recent statement, the British Hong Kong Government sang the same old tune and argued that "the 1994-95 election arrangements must be fair, open, and acceptable to the people in Hong Kong." It did not mention a single word that the arrangements must be in keeping with the Joint Declaration, the Basic law, and the agreements and understandings reached by China and Britain. Was there any sincerity for consultations?

The handling of major affairs in Hong Kong can only be based on Sino-British consultations. This is a principle. As Premier Li Peng recently pointed out, "all affairs astride 1997 requiring the future special administrative region government to bear responsibilities and obligations and all affairs concerning convergence with the Basic Law must be solved through consultations between the Chinese Government and the British Government according to the provisions of the Joint Declaration."

Any attempt to play the "three-legged stool" trick that allows the Legislative Council to decide Hong Kong's major affairs will be illegal and also futile. In the course of consultations and talks with the British side, the Chinese side will certainly safeguard state sovereignty and national dignity, and will represent the wishes and interests of the Hong Kong people and guarantee Hong Kong's stability, prosperity, and smooth transition.

XINHUA Official Urges Reform Package Withdrawal

HK2002040693 Hong Kong WEN WEI PO in Chinese
20 Feb 93 p 20

[Text] Zheng Guoxiong, deputy director of the XINHUA Hong Kong Branch, said that to resolve the Sino-British dispute over the political structure, the Hong Kong governor must withdraw his constitutional reform package and make no more trouble. Only by doing this can he show his sincerity for resuming the Sino-British consultations and the cooperation mechanism.

Last evening, when Zheng Guoxiong attended the spring party of the Hong Kong Trade Union Federation and the award-giving ceremony for developing new members, he was asked by reporters whether the fact that Patten's constitutional reform package was not gazetted as scheduled was favorable to the settlement of the Sino-British dispute over the Hong Kong political structure. Zheng answered that it was up to the Hong Kong governor to decide whether to gazette the package, but he should not create new trouble in order to make things favorable to the settlement of the problems.

Zheng Guoxiong pointed out: The constant position of the Chinese side is that in the last few years of the transitional period it is necessary to strengthen the mechanism of Sino-British consultation and cooperation. The Sino-British Joint Declaration clearly specifies the consultation and cooperation mechanism and channels. However, after Patten took office and dished out the constitutional reform package, the consultation and cooperation mechanism was seriously damaged. At present, if they really want to solve the problems, Patten must discard his constitutional reform package. Only thus can he show his sincerity.

Zhong Guoxiong said: The Chinese side has reiterated many times that Patten must withdraw his constitutional reform package. If he now tries to create more obstacles, that will do absolutely nothing good to Hong Kong.

PRC-UK Talks Decision 'This Week'

HK2202050493 Hong Kong MING PAO in Chinese
22 Feb 93 p 4

[Report: "China, Britain Are Reportedly To Make Decision This Week on Resumption of Talks Over Political Row"]

[Excerpt] According to a source in Beijing, given no unexpected incidents, China and Britain will decide to resume talks over Hong Kong's political structure this week, and Hong Kong officials will be not barred from taking part in the talks.

It is understood that the Chinese and British sides do not differ very much over the question of resuming talks. The Chinese side felt it was not necessary to rush into making a final decision and hoped it would have more time to consider the matter, so it has not given the British side a definite response about the talks in the last few days. On the contrary, the British side has been eager to get the Chinese side's reply, because the Hong Kong Government has repeatedly delayed gazetting the political reform program, which has been approved by the Executive Council.

The Chinese side has not softened its stance on resuming talks over the political structure, specifically, that Patten's political reform program must be abandoned to enable the new talks to converge with the Sino-British Joint Declaration and with the spirit of the seven letters exchanged between the Chinese and British foreign ministers.

The Chinese side believes that it must adopt a prudent attitude. The reason is as follows: It was the Chinese side that first proposed discussing the problems about elections in 1994 and 1995, but the British side insisted that the discussion be delayed on the excuse that a new governor would replace the old one. Soon after assuming office, Governor Patten came up with another "political reform program" without consulting the Chinese side, an act which violated the former tacit agreement reached by the two sides. This greatly discounted the Chinese side's faith in the British, hence the Chinese side was not quite ready to reopen talks.

The Chinese side has now two considerations: 1) to make sure that, once the British side gets the opportunity to reopen talks, it will not "make" Patten's political reform program the basis for the talks; and 2) to make sure that, when the two sides resume talks over Hong Kong's political structure, the Hong Kong Government will not make the Legislative Council "another leg," [zai li fa ju duo chu yi jiao 0961 4539 3127 1444 1122 0427 0001 5183] or permit it to have its own way with respect to Patten's political reform program in disregard of the talks.

The specific and detailed arrangements, plan, and procedures for the meeting are technical matters and are easy to tackle. Once the core problem concerning confidence has been solved, specific and detailed arrangements will be formulated soon thereafter. The talks will be held in Beijing.

If the two sides have reached a final agreement about the talks, the agreement will be published. As "an interested party," Hong Kong Government officials will not be barred from participating in the talks, and the Chinese side has not set such a demand. At present, the contacts

paving the way for formal talks are being conducted through diplomatic channels. In another development, in discussing the Hong Kong Government's stance on publication of the political reform program, Hanson, the governor's information coordinator, still claimed last night that the Hong Kong Government will be able to publish the political reform program by the end-of February (namely, within this week) as planned. [passage omitted]

XINHUA Fails To Confirm Sino-British Talks

HK2102090093 Hong Kong WEN WEI PO in Chinese
21 Feb 93 p 12

[Report: "XINHUA Deputy Director Zheng Guoxiong Says He Has No Knowledge of Reopening of Sino-British Talks"]

[Text] [No dateline as published]—Asked by reporters, Zheng Guoxiong, XINHUA NEWS AGENCY Hong Kong Branch deputy director, yesterday said he had no knowledge of Sino-British consultations [cuo shang 4322 0794] on the Hong Kong issue.

Zheng Guoxiong made the above statement yesterday at a Spring Festival gathering sponsored by the Hong Kong Chiaying Chamber of Commerce in response to an inquiry about a recent hearsay that China and Britain are going to reopen talks on the constitutional issue of Hong Kong.

A reporter asked him: Now that British Prime Minister John Major said he would lobby the United States for the renewal of the most-favored-nation [MFN] status for China, will that be favorable to reopening of talks between China and Britain? Zheng Guoxiong said he had no knowledge of reopening of the talks; as for the MFN status, it is an affair between China and the United States, a matter which is beneficial to both.

Patten Position in Reform Dispute Viewed

HK2102071093 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 21 Feb 93 p 10

[From the "Inside Politics" column by Danny Gittings: "Why Patten Could Lose Out When It's Time To Talk"]

[Text] Governor Mr Chris Patten has nothing to gain and everything to lose from the talks Britain and China are now close to holding to discuss Hong Kong's political development.

There is a sense of *deja vu* about the whole affair. It has emerged that the deadlock to such talks was broken by an exchange of letters between London and Beijing—all too reminiscent of the way secret deals used to be hatched between the two governments, in the bad old days before the advent of Mr Patten's more open administration.

Foreign Secretary Mr Douglas Hurd apparently wrote to his Chinese counterpart, Mr Qian Qichen, enclosing a copy of the draft bill on the 1995 elections—after it had

been passed by the Executive Council—and restating Britain's position that it was happy to hold talks on the territory's political development.

To London's—and, even more so, Hong Kong's—surprise, Mr Qian responded by letter suggesting China might agree to talks. Diplomatic contacts began in Beijing to try to work out the details.

Although these talks have yet to lead to an agreement to reopen discussions, despite indications last week that an announcement was imminent, the Foreign Office apparently believes all arrangements have been worked out, and it is simply waiting for China to respond.

The whole thing could still fizzle out in the next few days, of course, but many officials believe that this is highly unlikely.

Certainly, the composition of the two teams is now clear. Heading the British side would be Ambassador to Beijing Sir Robin McLaren, flanked by other embassy officials involved in Hong Kong affairs, such as Mr Nigel Cox and Miss Janet Rogan.

No foreign Office official would be sent from London to participate, which is unusual for such talks.

Heading Beijing's team would be a vice-foreign minister rather than Hong Kong and Macao Affairs Office chief Mr Lu Ping—a conscious signal that these are seen as direct talks between the Chinese and British governments, not the Hong Kong administration.

Reports last week that Hong Kong would be totally left out of the negotiating team were inaccurate from the start: London will not let the discussions go ahead without at least the presence of Secretary for Constitutional Affairs Mr Michael Sze Cho-cheung or Political Adviser Mr William Ehrman.

But Government House's hypersensitive reaction—spokesman Mr Mike Hanson issued a denial within minutes of the first reports—shows just how sore an issue this is.

For while the Hong Kong Government is not being left completely in the cold—it will have the same token representation in any coming talks as on the British Joint Liaison Group—it is clear the focus is shifting away from Government House towards Foreign Office diplomats in London and Beijing.

A flashback to the last round of talks on political development shows just how much things have changed. In October, it was the Governor and his aides who led the talks with Mr Lu, while British diplomats sat silently by.

This time, if discussions go ahead, it would be the other way round—with Hong Kong officials listening as Sir Robin, an old China hand, does the talking.

And while he loyally defends the Patten package in public, Sir Robin is believed to have deep reservations about it.

Some in the Foreign Office suggest Mr Patten is partly to blame for his exclusion from any negotiations because he blew any chance of opening direct communications with Beijing during his October visit.

Certainly, Government House seemed to be on the sidelines during all the latest manoeuvring.

Although there is no hard evidence it actually tried to obstruct a reopening of negotiations, the Hong Kong Government has been markedly less enthusiastic about the idea of renewed talks than its British counterpart.

A Government House statement pointedly tried to re-focus attention on the administration's position that—negotiations or not—nothing will be allowed to breach the baseline of electoral arrangements that are "fair, open and acceptable to the people of Hong Kong."

Mr Sze, often dubbed the Governor's blue-eyed boy, signalled strong reluctance to further delay gazetting the bill on the 1995 elections, saying there would have to be a "very good explanation" for doing so.

Under almost any scenario for renewed negotiations, the Governor and his team, who have invested so much of their credibility in promoting the Patten package, will lose out.

Perhaps their least negative option would be talks that swiftly ended in failure. That would still cause an embarrassing breach of the pledge to gazette the legislation this month, but at least have the public relations benefit of showing the administration had done all it could to reach a settlement with Beijing.

More likely, however, is that Beijing would cunningly allow negotiations to drag on—leaving the administration with the dilemma of whether to unilaterally break off the talks and face a barrage of criticism for doing so.

Worse still, from Mr Patten's point of view, is the idea the two sides might actually reach agreement. That Sir Robin and his sinologist negotiating team will strike a deal they believe acceptable, but which will inevitably involve painful compromises, is something the Governor would find extremely hard to accept.

In any event, the Governor is already beginning to be by-passed in precisely the way Prime Minister Mr John Major promised would never happen. He told his Chinese counterpart last year that "when you speak to Chris Patten you are speaking to me".

It may be far too early to talk of an end to the Patten era—as one local newspaper did last week, prompting a furious Government inquiry into the source of the remark.

But what is now true is that such a scenario is now conceivable. If Britain and China go behind Mr Patten's back in any talks, then Hong Kong's 28th Governor is in deep trouble.

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